FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,801 Thursday June 17 1982 ***30p

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 35; DENMARK Kr 6.50; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1,000; NETHERLANDS Fl [illegible]; NORWAY Kr [illegible]; PORTUGAL Esc 50; SPAIN Pta 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 50p; MALTA 30c

NEWS SUMMARY

GENERAL

NUR in move to avert rail strike

The NUR has given the go-ahead for talks aimed at averting the national rail strike threatened to start on June 28.

The NUR *executive called for* BR and unions to hold a meeting of the Railway Staffs National Council, today.

Earlier BR chairman Sir Peter Parker, in a letter, delivered a stark warning to 225,000 rail employees saying further industrial action would lead to "no pay increase and no job to come back to for many of you."

Aslef leader Ray Buckton described Sir Peter's letter as "a crude attempt at blackmail." Page 11

Gunmen kill five

Five men, including three policemen, were killed and a woman injured when a car carrying a Mafia chief to jail in Sicily was attacked by gunmen.

Terror girl jailed

Baader-Meinhof *Group member* Sieglinde Hofmann, extradited from France in 1980, was jailed for 15 years in Frankfurt, for her part in the killing of a West German banker in 1977.

Ship abandoned

The 34 crew of the Ogden Willamette (30,687 tons) were rescued after abandoning the sinking tanker in the Caribbean. The ship carried 250,000 barrels of crude oil.

MP detained

Zimbabwe security agents detained black MP Vote Moyo, a close aide to Opposition leader Joshua Nkomo. No reason has been given.

Train deaths

Three died and 147 were injured *in a train crash in China after* workers went to eat ice lollies and left tools on the track, the People's Daily said.

Jet crashes

The crew of a U.S. F-4 fighter died when their jet crashed in northern Germany.

Sanctions urged

The Organisation of African Unity urged banned *nationalist* groups in South Africa to step up fight against apartheid and called for mandatory sanctions against the country.

World Cup

England beat France 3-1, with Robson (2) and Mariner the scorers and Algeria gained a surprise 2-1 win over West Germany. Five English supporters were held after a Bilbao bar stabbing.

Grade leaves

Lord Lew Grade left the entertainments empire be built, Associated Communications Corporation, after 27 years. Page 10

Cash moves

Midland Bank Access credit card holders will be able to use *their cards to draw up to* £100 a week from the bank's 400 autobank machines. Page 10

Puffin threat

Puffins on Lundy, in the Bristol Channel, *are facing extinction.* Their population has fallen from 7,000 to 100 in 40 years, owing to attacks by other birds and oil production.

Ale and farewell

Nearly 1,000 pints of beer ran down drains when a brewery lorry shed its load in Burton on Trent.

Briefly . . .

Ladbrokes has made Roy Jenkins 4-7 and David Owen 5-4 for the election of SDP leader.

Belgium's majority Flemish population is growing at twice the rate of the country's French speakers, census results showed.

BUSINESS

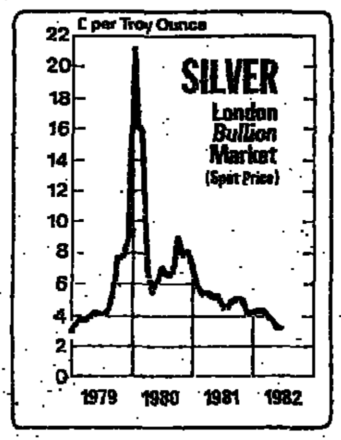
$ rises sharply in London; £ slips

● **DOLLAR** rose sharply to DM 2.434 (DM 2.42), FFr 6.745 (FFr 6.7225), SwFr 2.0955 (SwFr 2.076) and Y252.8 (Y251.6). *Its trade-weighted* index was 119.5 (118.9). Page 42

● **STERLING** lost 1.1c on the day to close in London at $1.7505. It slipped to DM 4.2625 (DM 4.265) and FFr 11.8075 (FFr 11.8375), but improved to SwFr 3.67 (SwFr 3.66). Its trade-weighted index was 91.5 (91.4). Page 42

● **GOLD** rose $1.75 in London to $317.25. In New York the Comex June close was $317. Page 30

● **SILVER** bullion spot quota*tion in London was 2.6p down* at the morning fixing at £3.1 ($5.45) a troy ounce, its lowest since December 1978, but the market recovered slightly in the afternoon, reflecting the weakness of sterling. Page 30



● **EQUITIES:** the FT 30-share index lost 2.4 to close at 568.5. Page 41

● **GILTS** trading was quiet. The Government Securities Index closed 0.04 down at 69.65. Page 41

● **WALL STREET** was 1.14 down at 800.13 near the close. Page 34

● **SECURITIES INDUSTRY** Council, the City's main self-regulation body, criticised Professor Jim Gower's proposals for a unified system to regulate the industry and urged a review of the way frauds are investigated. Back Page

● **LLOYD'S INSURANCE** business has risen sharply according to a study prepared for an association o fthe market's members.

● **LIVING STANDARDS** have started to improve after a year of decline, according to official figures. Back Page

● **INFLATION RATE** of no more than 7.5 per cent by Christmas is forecast by Reward Regional Surveys, which says the rate of decrease in inflation is accelerating. Page 9

● **BL CARS** has put 750 workers on short-time until the autumn because of increased productivity. Page 9

● **NATIONAL BUS**, which made pre-tax profits of £5.45m last year compared with a loss of £11.35m, said National Express and National Holidays, the two activities for which the Government is seeking to introduce private capital, made a £4.5m contribution to the company's £25.3m operating profits. Page 10

COMPANIES

● **STANLEY GIBBONS**, the world's biggest stamp dealer, has been bought by its management for about £9m. Back Page

● **JOHNSON MATTHEY**, the precious metal refiner, banker and chemicals maker, increased pre-tax profits by £4m to £49.61m for the year to March 31. Page 28; Lex, Back Page

● **S. & W. BERISFORD**, whose activities include commodity trading, finance and processing, improved taxable profits in the first half to £24.42m (£17.42m). Page 28; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Bassett (George)	74	+ 4	Alpine Soft Drinks	72	− 3
Berisford (S. W.)	136	+ 4	BPB Inds	418	− 4
British Sugar	470	+ 10	Blue Circle	448	− 10
Cable and Wireless	268	+ 6	Extel	338	− 7
Cropper (J.)	152	+ 5	Ferranti	727	− 18
Minet	209	+ 7	GKN	151	− 8
Nimslo	190	+ 20	Hawker Siddeley	330	− 8
Rolfe and Nolan	84	+ 6	Martonair	225	− 10
Routledge K Paul	250	+ 8	NatWest Bank	438	− 7
Smith St. Aubyn	32	+ 3	Saatchi and Saatchi	395	− 20
Tesco	65	+ 8	Ward and Goldstone	65	− 5
			Willis Faber	480	− 8

Britain presses Argentina to confirm end to hostilities

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

BRITAIN yesterday highlighted the worsening plight of the up to 15,000 Argentine prisoners in the Falklands in what was seen in part as an attempt to keep up the pressure on the junta to confirm that hostilities are over.

Rear-Admiral John "Sandy" Woodward, the commander of the British task force, warned that he could not shelter so many troops from the Force Ten gales and blizzards blowing in from the Antarctic. Temperatures of minus 20 *centigrade have* been reported in the area.

"They are already suffering from malnutrition, exposure (in some cases hypothermia), trench-foot, scabies and diarrhoea," he said in a signal released yesterday.

Britain has said it will return all prisoners only after Argentina had confirmed that hostilities were at an end, a pledge which it considers an important step towards reducing the chances of continuing harassment from the Argentine mainland.

However, by last night it was evident that the prisoners were *becoming a liability as well as* a bargaining counter. Britain had hoped to receive support from Argentina in shipping back the bulk of the prisoners.

But Admiral Sir John Fieldhouse, the commander of the British fleet, reflected the growing anxiety in Whitehall when he attacked the "sheer disregard" of the Argentine junta for the prisoners.

"With all these human beings in a very sad and sorry state, we are getting absolutely no co-operation whatsoever from the Government of Argentina," he told a Press conference at the *operations* headquarters of the task force at Northwood, Middlesex.

Admiral Fieldhouse said that a "lot of partly-starved men" were in exposed conditions and, according to reports from Port Stanley, civilians say Argentine soldiers are taking bones from dogs.

There was some uncertainty yesterday over the number of prisoners involved. General Mario Benjamin Menendez, the Argentine garrison commander, said that he had 14,800 men under his command, but another Argentine officer put *the figure at about 8,000.*

However, the Ministry of Defence in London said last night that even with the lower figure the problems were acute, particularly after the loss of 4,500 tents on the Atlantic Conveyor which was sunk by Argentine missiles.

Mr Francis Pym, the Foreign Secretary, said that the Argentine prisoners should provide a "huge incentive" for the junta to accept that hostilities had ended. But last night some officials in London were suggesting that General Leopoldo Galtieri, the Argentine President, might fear that the sight of returning frost-bitten prisoners could prove fatal to his regime.

Britain has offered a formulation for the declaration of the end of hostilities which deals with only the present. There is little faith in London that any promise regarding the future would be kept.

The approach was made through the Swiss Government and other countries have been encouraged to ask Argentina to state whether hostilities are at an end. When Mr Leo Tindemans, the Belgian Foreign Minister, asked Britain on behalf of the EEC if the fighting was over, he was asked to address the question to Buenos Aires.

Britain is seeking to use EEC trade sanctions against Argentina as a means of ensuring that it is not left with a lonely Antarctic fortress under attack from the mainland.

Mr Pym said yesterday that some EEC members would be making "the strongest representations" to Argentina to insist on an end to threats on the islands.

The British view is that for the moment EEC support is firm and there is little immediate risk of the line breaking. Officials were also very pleased with a message of support for the British position which was given by the U.S. to Sir Nicholas Henderson, the British Ambassador in Washington on Tuesday.

One element of British diplomacy is to stress that the Falkland Islands are not returning to the situation before the Argenine invasion. British missions abroad have been instructed to underline that Mr Rex Hunt is not going back as a colonial governor and that the islands will be democratically run with a considerable degree of local autonomy.

Mrs Margaret Thatcher, the Prime Minister, may emphasise *this during her speech to the* UN special session on disarmament next week.

The Foreign Office appears to believe that with the exception of the problem of handling prisoners, Britain has won a breathing space for itself abroad. Officials believe that the Government's firm stance towards the Argentines and the issue of their participation in the islands' future is essential after *so much* "blood and treasure" has been spilt.

But there is wide official relief that the taking of Port Stanley cost few lives. For the moment Britain appears to feel that it is too early to make direct moves to repair relations with Latin America.

Falklands crisis, Page 6

Defence correspondents were *yesterday invited to share in* a day of congratulations at Fleet Headquarters at Northwood, London. Admiral Sir John Fieldhouse, commander in chief fleet, said: The day before we landed at San Carlos we had 26,000 men afloat. I regret every one of the 250 men who have died in the Falklands, but our casualty toll has been remarkably light, given the circumstances." Lt.-Gen. Sir Richard Grant referred to the fact that 9,000 fighting men had been put ashore and not one had died in the landing.

U.S. envoy seeks formula to save West Beirut

BY ANTHONY McDERMOTT IN BEIRUT AND DAVID LENNON IN TEL AVIV

LEBANESE leaders and Mr Philip Habib, the special U.S. envoy, were trying desperately yesterday to find a formula to save West Beirut from destruction. Meanwhile Israeli forces, reportedly backed by Phalangist artillery, fought their way closer to the capital.

An estimated 6,000 Palestinian guerrillas have taken up positions in and around West Beirut and vowed to fight to the last if Israeli troops and their Lebanese Christian allies try to evict them.

Mr Chafik al Wazzan, the Lebanese Prime Minister, was reported to have gone into West Beirut last night for direct talks with Mr Yasser Arafat, chairman of the Palestine Liberation Organisation. It was *also said that the PLO had* asked for talks with Mr Habib.

In Washington there were suggestions that President Ronald Reagan might refuse to meet Mr Menahem Begin, the Israeli Prime Minister, in Washington next Monday as scheduled if Israeli troops attempted a direct assault on West Beirut.

Mr Haig, the U.S. Secretary of State, is due to hold talks tomorrow with Mr Andrei Gromyko, the Soviet Foreign Minister, and the two men are certain to devote some time to Lebanon.

Syria, which has a treaty of friendship and co-operation with the Soviet Union, has rejected Israeli demands to pull back its estimated 1,00 0troops from near Beirut. Israeli advances yesterday are thought to have cut the main Beirut - Damascus road close to the Lebanese capital and encircled the Syrian units.

Israel denied yesterday that its forces had been involved in heavy fighting for control of the science faculty building of the Arab University close to the main runway of Beirut international airport.

Reports from the area said Israeli commandos had moved in after heavy supporting artillery fire from the Christian militias which control East Beirut and some of the surrounding hills overlooking the airport.

Israeli units also moved some 20 miles north east of the capital towards the strategic Sannin Heights which are controlled by the Syrians. Israeli forces and the Christian militias have also consolidated joint positions close to Beirut.

Mr Habib met Mr Bachir Gemayel, the Christian Phalange militia commander, yesterday, *for the second time in 24-hours* After the meeting, Mr Gemayel conferred with President Sarkis of Lebanon. He said that they did not discuss the formation of a National Salvation Committee, as proposed by President Sarkis with U.S. backing, but ways of sparing Beirut from the experiences of Sidon or Tyre.

The Phalangists appeared publicly to be putting some distance between their positions and those of the Israelis. Accord-

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Middle East, Page 4

Ceasefire hopes recede as internal wrangles deepen

BY JIMMY BURNS IN BUENOS AIRES

DIVISIONS WITHIN the Argentine armed forces deepened yesterday, making *increasingly remote the prospect* of a firm public commitment by the military junta to cease all hostilities.

The junta, and in particular President Leopoldo Galtieri, is under intense political pressure to resign from sectors of the military and the civilian opposition.

Yet the junta is reported to be reluctant to make any public statement formalising the sur*render of Argentine troops* and the end of the war with Britain for fear of further damaging its public image.

Sr Nicanor Costa Mendez, the Foreign Minister, yesterday formally handed his resignation to President Galtieri. On Tuesday the Foreign Minister had suggested that the entire *Cabinet should resign and leave* the President free to choose a government more acceptable to public opinion.

It is understood, however, that ministerial changes have been ruled out by President Galtieri for the time being on *the grounds that they might exarcerbate political instability.* The President also seems to feel that accepting resignations from *his ministers* would further weaken his position.

President Galtieri admitted in a broadcast to the nation on Tuesday night that Argentina's battle for Port Stanley was over but he did not say his forces had surrendered. He added that Argentina would never give up its struggle to obtain sovereignty over the islands.

He was speaking soon after the cancellation of a scheduled speech from the balcony of the presidential palace following serious rioting against the government. Among slogans chanted by the demonstrators were "traitors," "the military *junta is a national disgrace.*" "it's over, it's over, the military dictatorship is over" and "give us rifles—sovereignty or death."

By yesterday afternoon, the junta had still not released publicly details of ceasefire terms agreed on Monday by General Jeremy Moore, British Commander on the Falklands,

Continued on Back Page

Japan places TV at arm's length

BY ALAN CANE IN LONDON AND RICHARD HANSON IN TOKYO

INFORMATION; entertainment and communications for everybody, everywhere at the press of a button has been brought a step closer with the news that an offshoot of Japan's Seiko watch group has devied a flat television screen which can be *worn on the wrist.*

While the development announced by Suwa Seiko can only be used for receiving conventional TV broadcasts, it is significant in that the shriking of the liquid crystal circuitry *into a wrist device* has broken yet another size barrier in information technology.

The use of liquid crystal, widely employed in electronic calculators, instead of the traditional picture tube means that the device needs very little electricty. The Seiko model appears to be capable of a high degree of resolution, compared with larger prototype liquid crystal televisions announced by two other electronics companies in Japan. Seiko's 1.2 inch screen has 32,000 dots, compared with about 20,000 dots in a four-inch display developed by Hitachi two years ago.

It is expected to be at least six months before mass production of the watch TV is feasible. The three-part unit will probably sell in Japan for about Y100,000 (£226).

The TV is part of a slightly oversized ordinary electronic wrist watch with digital time

Continued on Back Page

● *The world's first wristwatch* **television developed by Seiko**

Record £42.7m profit for Tesco

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE TESCO supermarket chain showed yesterday that it is fighting back in the struggle to become Britain's leading *grocery retailer a battle it has* been losing to J. Sainsbury over the past couple of years.

Tesco surprised the City with a 20 per cent increase in pre-tax profits for the year ending February 27 1982. Profits were up by £7.1m on the previous 12 months to a record £42.7m.

The better-than-expected figures brought an 8p rise in Tesco's share price, which closed yesterday at 65p.

Tesco's increase in turnover, however, was less impressive than the profits rise, sales were up 9.5 per cent from £1.9bn to £2.1bn.

Exact comparison between the two years is slightly complicated by the fact that the previous financial year, ending February 1981, contained 53 weeks while the past year had 52.

The relatively small turnover increase is probably the main *reason for Tesco's decision last* month to re-launch its "Operation Checkout" price-cutting campaign, first mounted in 1977.

Early indications are that the campaign has not been the run*away success it was in 1977,* and the chain's main high street rivals have so far not felt it necessary to respond in any significant way. Tesco said yesterday that the new campaign had been "well received with turnover forecasts being *achieved.*"

Operation Checkout is also aimed at enabling Tesco to catch up with Sainsbury in terms of market share for package groceries. It is currently about two percentage points behind Sainsbury, which has some 15.5 per cent of the market.

Tesco, however, has restored some of its reputation for low prices by its campaign and is now level with Sainsbury in terms of keen pricing, although both supermarkets are still behind Asda.

The company also announced yesterday that it was opening 16 new stores in its current financial year, adding about *589,000 square feet of selling* space.

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Tesco's dash for market share, Page 24
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£ in New York

—	June 15	Previous
Spot	$1.7610-7625	$1.7710-7740
1 month	0.34-0.39 pm	0.28-0.33 pm
3 months	*1.21-1.25 pm*	*0.97-1.02 pm*
12 months	4.15-4.25 pm	3.65-3.75 pm

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For latest Share Index phone 01-246 8026

Solidarity moderates call for 'national accord'

BY CHRISTOPHER BOBINSKI IN WARSAW

AN INFLUENTIAL group of Solidarity trade union moderates in Warsaw has drawn up an 18-page policy document urging that the union should come to terms with the authorities in what it terms a "state of national accord." The document says the union should limit its political ambitions and work with the Government to revive the economy.

The document has been passed to Mr Zbigniew Bujak, the clandestine head of the union's Warsaw region, and it still has to win his approval. However, he is inclined to favour moderate solutions and the document represents an answer to radicals in the movement who are arguing that the union must organise a general strike to regain lost ground.

The radical leadership of the Gdansk region, headed by Mr Bogdan Lis, yesterday called for a 15-minute protest strike. It is intended to mark the deaths six months ago of eight miners who resisted security forces who were trying to break a strike against martial law at the Wujek mine in Silesia.

In Warsaw, yesterday police patrols were doubled to guard against attempts to place a commemorative plaque to the *miners in the centre of the* captal's Victory Square.

At the same time, moderate elements among the authorities have begun to hint that the forthcoming National Day on July 22 may be used to declare an amnesty and to make a serious effort at resolving the trade union issue. Martial law might even be replaced by another form of "special *powers.*"

Recent leaks to the Western Press along these lines have been aimed at testing the reaction of party and army hardliners, the general public, and Poland's Soviet bloc neighbours.

For its part, the Solidarity document argues that the authorities must be pressed by the union's underground movement *into freeing the internees, lift*ing martial law and guaranteeing trade union liberties, including the reinstatement of Solidarity. It warns, though, that the movement must guard against polarising official opinion around the hardliners, and must offer constantly the chance of future co-operation.

In a reference to the political ambitions of last year, the document says Solidarity must "strengthen its self-limiting mechanisms," and that there can be no return to before December 13.

The union must not be afraid of "joining the system" which, it declares, was one of the myths to which the union subcribed in the past.

The document suggests that the union should enter into a "front of national accord" which would include the Communist Party, its two allied parties, the army, the Roman Catholic Church and the three trade union movements. This front, it suggests, world provide a forum for resolving conflicts and would prepare a single list for national and regional elections to Parliament. These are due in 1984.

It also underlines that the trade unions, the workers' self-management movement and the Government must work together to save the economy. In a reference to the union radicals, the document admits that overthrowing the Government is a "crystal clear political solution" but it assumes that the union "cannot only carry out the revolution but also defend it." It warns against a repeat of December 13 (when martial law was imposed) "only in a Soviet form."

Consumer spending up 72% in May

CONSUMER SPENDING grew by 72 per cent in Poland last month, outstripping earnings growth which was 61 per cent above May last year, according to Government figures, writes Christopher Bobinski. But, in spite of the massive price increases earlier this year which reduced real incomes by almost a quarter, incomes still exceed spending and the inflationary savings "overhang" continues to mount.

In another attemnt to level out incomes and the supply of goods to the shops, the Government is planning further increases in the autumn in public transport fares and in the prices of alcohol, tea and coffee. Prices in May, meanwhile, rose by 3 per cent over April.

The chances of increasing the supply of consumer goods are small as industrial production continues to fail, declining by 8.7 per cent over the first five months, albeit a slower rate. The main cause is the fall in the manufacturing industries, whose imports from the West are down 43 per cent, a result of the Western credit freeze.

By contrast, the coal, sulphur and copper industries report a 14.3 per cent growth at constant prices over the first five months, compared with the same period in 1981.

According to the central statistical office, 323 key enterprises had to interrupt output last month because of shortages of raw materials, equipment and semi-finished products.

Hard currency imports reached Zl 110bn (£728m) between January and May, a fall of 43 per cent. Exports were worth Zl 161bn (£1.06bn), a drop of 8 per cent, leaving a Zl 51bn (£337m) balance of trade surplus.

Christopher Bobinski in Warsaw reviews prospects for would-be holidaymakers

Stay-at-home summer for Polish tourists

THIS YEAR, Poland's border crossing points will not see a repeat of the scenes of the late 1970s, when long queues of cars full of holidaymakers, children and luggage, stretched for miles and inched forward—sometimes for a day—waiting for customs clearance.

This year, the flood will be down to a trickle and, as with many things since the imposition of martial law last December, summer holidays will not be easy. Prices have gone up two and threefold. This includes holidays, and travelling abroad will also be expensive for the few who can get permission.

So far the authorities are only issuing passports to pensioners and those who travel on business. There are rumours that restrictions might be lifted for the summer. They probably stem from private statements by the more enlightened politicians like Mr Mieczyslaw Rakowski, the deputy premier, who recognises that "Poles can't be kept cooped up within closed frontiers."

Even if such statements are translated into decisions there is unlikely to be any repeat of last year's migration, when visits to the West doubled compared with 1980. Then, West Germany topped the league and played host to over 381,000 Poles, compared with 177,000 the previous year.

Austria may be less attractive for its scenery than for its facilities for refugees, came second best with 123,000 visitors. Italy and France followed with around 100,000 visits each.

This year, however, Western consular officials will be taking much more than a cursory glance at any hopeful Polish tourist, well aware that the temptation to stay in the West is greater than ever.

Those lucky enough to get both a passport and a Western visa will still be affected by the freeze on hard currency deposits in Polish banks, which allow for total withdrawals of $400 (£222) for travel abroad.

The tourist flow is unlikely to be redirected to the resorts of Poland's East European partners. Last year's restrictions on the politically suspect and relatively destitute Poles are still in force and tourist possibilities are regulated by annual trade agreements, which leave little room for holiday spending.

Enquiries at a Polish travel agent as to the prospects of sightseeing on the Soviet Union produced a bemused "No"

Czechoslovakia, the next most ideologically tight-lipped, and suspicious of the average Pole's penchant for experimenting with their system is offering rather expensive therapeutic holidays, presumably in a sanitorium.

East Germany, where Polish visits dropped by half compared with 1980 when the travel restrictions were introduced, is offering no more than guided tours, all no doubt under strict control.

Hungary seems the most relaxed and is ready to welcome 50,000 Poles this year, while Bulgaria is opening the door a little to its Black Sea coast.

The prices are steep, however—sometimes three times the national average monthly wage for a two-week stay. And this leaves most families with the prospect of a holiday in Poland.

Probably quite a few will not go away at all this year. They will rely on allotments or, like Mr Miroslaw Kowalski, a young journalist, on weekend homes belonging to friends for their dose of sun and fresh air.

Mieczyslaw Rakowski: travel restrictions might be lifted

Hopes and fears greet Portuguese devaluation

By Diana Smith in Lisbon

THERE HAS been mixed reaction to Portugal's 9.5 per cent devaluation of the escudo against most of the 18 currencies of the country's main trading partners. Exporters hope for improved business, but economists are concerned about the impact on Portugal's balance of payments on current account.

Awareness of the latter possibility discouraged the financial authorities from devaluing the currency sooner, but last weekend's realignment of European currencies provided an unavoidable spur.

Portugal has 1m emigrants living in France — an important trading partner—and their savings, remitted home, are a precious contribution to invisible earnings. The substantial devaluation of the franc had raised very serious questions about the flow of these savings in a year when they had already stagnated.

The negative impact on the trade account, however, cannot be under-estimated. First, Portugal imports all its oil and, thanks to past droughts and chronic inefficiency, about three-quarters of its foodstuffs.

Second, with rigid and not very diversified industrial output, import demand is an inescapable fact of life, whether for components, capital equipment or consumer goods. After repressed consumer demand during the austerity years of 1977-79, the market has been having its revenge.

For the past 18 months, the middle classes have gone on a spending spree, acquiring cars, domestic appliances, gadgets and imported clothing. The recent credit squeeze has dampened some of that furious demand.

Last year, Portugal had a $2.7bn balance of payments deficit, the worst in its history, incurred largely as a result of a $5.6bn visible trade gap. A current account deficit of $2bn was forecast this year before devaluation.

With heavy service, a third of it short-term, on the $10bn foreign debt, the extra burden caused by devaluation on visible and invisible outlays may be a severe threat to any benefits derived from increased tourism or remittances.

Soviet industry steps up output but still falls below target

BY ANTHONY ROBINSON IN MOSCOW

SOVIET INDUSTRY made an attempt to recoup lost ground last month and pushed the January-May growth in industrial output up to 2.6 per cent compared with only 2.1 per cent over the first four months of the year, according to the weekly Economic Gazette.

Growth is still well below the annual target of 4.7 per cent, but some key sectors like cement and coal recovered from earlier depressed levels. Steel production, at 62.2m tons, remained well below target, however.

Oil output rose 0.4 per cent to 207m tons for the five-month period and gas remained the star performer at 207bn cubic metres, 8 per cent above last year's level.

Evidence that higher gas production is a somewhat mixed blessing, however, came earlier this month when Pravda, the Communist Party daily, complained about wasteful production methods in the important Urengoi deposits of Western Siberia.

Businessmen in the West also cast doubt on the gas production figures because they do not tally with the consumption of gas-treatment chemicals needed to process raw gas before it is suitable for transport. "Either they are burning off some of the gas or running untreated and, therefore highly corrosive, gas through their pipelines," one Western chemical expert said.

AP-DJ reports from Lausanne: Vassili Dinkov, the Soviet Gas Minister, told an industry conference here yesterday that the development of natural gas reserves in the Urengoi field will be stepped up, to yield eventually 300m cubic metres a year.

He said the gas-bearing area totals more than 5,000 square kilometres, and that planned production in the upper gas pay zone will be 250bn cubic metres a year.

Second well-known Milan businessman disappears

BY RUPERT CORNWELL IN ROME

THE DIAPPEARANCE, under threat of an arrest warrant, of a second well-known figure in the Milanese financial world has added to the mood of anxiety, titillation and confusion gripping stock markets and politicians here.

The latest absentee is Sig Bruno Tassan Din, managing director of Rizzoli, Italy's biggest publishing group. He is a key figure in the controversy surrounding the company and the Corriere della Sera newspaper which it owns.

Sig Tassan Din is wanted in connection with alleged irregular dealings in shares of a small insurance company. However, he is reported to have left the country, apparently for Switzerland.

His departure follows less than a week after the disappearance of Sig Roberto Calvi, president of Banco Ambrosiano, which heads the country's largest private sector financial group, with total assets of some $20bn.

Both were members of the now disbanded P-2 Freemasons Lodge and were linked by the Rizzoli affair. Last year, La Centrale, a financial company controlled by Ambrosiano, acquired a 40 per cent stake in the heavily-indebted publishing group.

Yesterday, shares of La Centrale plunged a further 12 per cent, after Monday's fall of 15 per cent. The development contributed to an overall 3 per cent slide in prices on the Milan Bourse, already worried by the Calvi affair and the prospect of uncomfortable measures shortly to tackle Italy's large public sector deficit.

The Bank of Italy confirmed yesterday that it had sent a team of experts to Milan to conduct a new probe of Ambrosiano, especially of its foreign operations. Sig Giovanni Spadolini, the Prime Minister, meanwhile, discussed the question with Sig Beniamino Andreatta, the Treasury Minister.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y. and at additional mailing centres.

Bundesbank boosts money market liquidity

BY STEWART FLEMING IN FRANKFURT

THE BUNDESBANK moved yesterday to add new permanent liquidity into the West German money markets by announcing that it would raise the rediscount quota of the banking sector by DM 5bn (£1.17bn) next Wednesday.

Banks will then be able to secure funds from the Bundesbank at the cheap discount rate of 7½ per cent in exchange for bills. This is instead of funding themselves with Lombard credit at 9 per cent or through the short-term repurchase agreements which the central bank has been carrying out monthly this year, also at rates of around 9 per cent recently.

The decision, announced after the meeting of the bank's council yesterday, was seen as another—albeit cautious—step in the process of relaxing monetary policy.

The need for caution was underlined by Herr Karl Otto Poehl, the Bundesbank president. He told the cabinet he expects U.S. interest rates to remain high this year limiting the scope for cuts in European interest rates, particularly in West Germany.

Some market participants in Frankfurt were taken by surprise by the decision and opinions on its significance were divided. It was generally accepted that the realignment of currencies within the European monetary system had given the Bundesbank more scope to concentrate on domestic monetary policy

The questions which remain open, however, concern the extent to which the decision is a largely technical move ahead of the seasonally strong liquidity needs of the banks, or whether it represents a signal underlining the central bank's increasing pre-occupation with the domestic economy's weakness.

Those leaning towards the second interpretation pointed out that the move goes against the recent trend in longer term interest rates in the past few weeks. The bond markets have suffered a setback in this period with yields now rising to around 9.2 per cent after having been as low as 8.75 per cent for government issues at the end of April.

It was pointed out, too, that the Bundesbank has taken its decision to make cheaper credit permanently available to the banks at a time when the dollar is strong on the foreign exchange markets and the D-Mark has sunk under the DM 2.40 level.

On this view the bank would appear to be taking some risks on the exchange rate side in order to demonstrate its determination to counter, in so far as it can, recessionary forces in the economy.

That the Bundesbank's room for manoeuvre in current circumstances is restricted was underlined by the West German Banking Association which issued a statement saying that there is no *room for domestic* interest rates to fall at present.

The more technical interpretation of the decision is that money market rates are unlikely to change significantly as a result of yesterday's move, since they are determined largely by the 9 per cent Lombard rate which, significantly, remained unchanged. Thus, it will help the banking sector's funding, costs and profits but will not affect lending charges significantly.

It is recognised, too, however, that there is growing official concern about the outlook for the economy, which is showing little or no sign of reviving in the second half of the year

Yesterday, for example, Dr Karl-Heinrich Oppenlaender, president of the IFO economics institute, said that new orders figures showed no evidence of *a revival of economic activity.*

More pessimistic economists are pointing out that, on the contrary, even export orders are weakening. These have been the only buoyant sector of the economy. At the same time, the domestic recession is leading to an ever rising tide of company failures which hit record levels last year and are running even higher so far this year.

Bonn to increase net borrowing by £1.6bn this year

BY JONATHAN CARR IN BONN

Herr Schmidt: economy still strong

THE WEST GERMAN Government has agreed to increase its net borrowing this year by DM 7.1bn (£1.6bn) to DM 33.9bn (£7.9bn) but says its aim still remains to take up less credit in future years.

The cabinet decision yesterday means that virtually all of the supplementary budget for 1982 is being financed by borrowing rather than through additional savings. However, both government coalition parties — Chancellor Helmut Schmidt's Social Democrats as well as the liberal Free Democrats — agree that this action *is legitimate this year.*

It is noted that the extra money is needed because of an economic growth rate slower than expected. This itself means extra payments of about DM 5bn (£1.17bn) for the unemployed and a shortfall in tax revenue of more than DM 2bn (£468m).

OIL COMPANIES operating in West Germany are pushing through a renewed round of price increases, the fifth and largest of recent weeks, to try to cut heavy losses on their oil refining and marketing operations, writes Kevin Done in Frankfurt.

Despite the latest price rise of 5 pfennig per litre, most oil companies are still operating in the red. According to Herr Hans-Georg Pohl, chief executive of Deutsche Shell, the companies need further increases of as much as 20-25 pfennig per litre to regain profitability.

Petrol prices, at around DM 1.40 per litre for four star, are still 4-5 pfennig below prices prevailing a year ago and are well below the peak of around DM 1.58 reached last September.

If the state were now to tighten its belt further, it is argued, *the economy would be* depressed still more. Another, just as weighty, argument is that it is hard to find areas where some DM 7bn (£1.63bn) of savings could be made in what remains of this year.

Herr Schmidt told his ministers that, despite these problems, this week's revaluation of the D-Mark, as well as the improvement in the country's *current account, showed that* the West German economy remained basically strong and vital.

He also underlined that Bonn must continue to try to limit its credit intake, so that every possible chance could be given for a further fall in interest rates and thus for an economic upswing.

While both coalition parties have agreed fairly easily on the supplementary budget, their talks (which also began yesterday) on the regular budget for *1983 are bound to prove more* difficult. Indeed, it is widely believed that the coalition could split on the issue.

Herr Manfred Lahnstein, the Social Democrat Finance Minister, has proposed that savings of around DM 8bn be made in next year's budget, and that the net credit intake for 1983 be increased from the DM 26bn originally planned to about DM 30bn.

The Free Democrats maintain that still greater savings should be made—not least on the social security system which the SPD is keen to defend above all. Hence the tensions, markedly increased by the dismal performance of both parties in recent local elections.

Grassroots pressure stiffens French union fight over pay freeze

BY DAVID HOUSEGO IN PARIS

UNION HOSTILITY to a wages freeze in France appeared to stiffen yesterday under pressure from rank-and-file members.

The determination to avoid any loss of purchasing power is bound to exacerbate the difficulties of M Pierre Maurey, the Prime Minister, who meets employers and unions today to discuss the Government's post-devaluation measures. The meeting is seen as critical to the Government's hopes for any long-term slowdown in the rate of price and wage increases.

Indicative of its pessimism at achieving a voluntary wages restraint policy, the Cabinet decided at its weekly meeting yesterday that it would ratify next Wednesday legislation to suspend wage increases until October 31. The Communist-led CGT union (the largest in the country) would probably prefer a freeze to be imposed by the National Assembly than to negotiate it voluntarily.

Delegates at the CGT congress in Lille gave the loudest ovation to speakers who denounced incomes restraint.

By contrast, the point most worrying M Andre Bergeron, head of the centrist Force Ouvriere union, is that legislation would deal a damaging blow to the tradition of collective bargaining.

Employers on Tuesday made clear their opposition to a prices freeze, ensuring that the Government will come under today from both sides of industry who are distrustful of its policies.

The meeting comes against the background of unemployment falling marginally on uncorrected figures but still rising on an adjusted basis. Figures for May, published yesterday, showed a 2.2 per cent

M Mauroy: difficulties increased

fall in the number of jobless to 1.83m on an uncorrected basis compared with April. But, on adjusted figures (which reflect a lag in the trend), unemployment rose *slightly* to pass 2m. Insee, the official statistics bureau, has predicted that unemployment will rise more sharply after the summer.

The technical difficulties that the Government is having in imposing a strict prices and dividend distribution freeze became clearer yesterday. The ruling on imports is that margins are blocked but that importers and industrialists can pass on increases in costs as a result of higher import prices brought about by the devaluation.

An important query arises over dividends in that some companies have already distributed them and others would have done so during the coming months.

'Dallas' escapes Dutch blackout

By Walter Ellis in Amsterdam

A strike by radio and television technicians employed by The Dutch State broadcasting system has failed to have the feared impact.

Some 5,000 technicians seeking shorter working hours and more pay refused to work on Tuesday evening, but although most radio broadcasts were off the air, nearly all television programmes went out.

The prospect of a day without television had dominated the Dutch popular Press, and the failure of the strikers to black out television screens was greeted with relief yesterday.

Dutch radio and television, although State controlled, is run by public companies. Its content is much more self-consciously informative and educational than is normal in the West, and it is often criticised by outsiders for being Calvinist and dull.

Nevertheless, a strike was viewed with alarm as the people of the Netherlands *contemplated* the withdrawal of such programmes as "Dallas," which, like most imports, is extremely popular.

In the Netherlands, J. R. Ewing's shooting was shown only recently, and his father, Jock, remains head of the Ewing clan.

Union officials representing the 5,000 technicians employed by the broadcasting system, NOS, are planning further strikes.

● The Dutch Government is expected to announce spending cuts of at least Fl 11bn (£2.34bn) this year and next in an interim budget today aimed at curbing a growing financing deficit, Reuter reports.

Race fears kindled by court case in West Berlin

BY LESLIE COLITT IN BERLIN

A DECEPTIVELY routine legal wrangle in West Berlin, which is regarded as one of the most tolerant of West German cities, has aroused the concern of those who fear that race riots may not be far away.

The court case involves the owners of a West Berlin tenement, who applied to evict tenants to obtain the flats for themselves. Such cases are frequent—although often it is property speculators who evict tenants.

But the owners of 80 Bürgermeisterstrasse in West Berlin's Tempelhof district are five Turkish gastarbeiter families, who recently scraped together DM 270,000 (£64,285) to buy the four-storey building. *The tenants* are all West Germans.

The Turks had lived for more than 10 years in abomin-... conditions. One family of ... was housed in a three-...m flat without a bath and ... a toilet up a flight of ...rs.

The Turks decided the only way to find decent housing for themselves and their 28 children was to buy their building.

The new owners offered the tenants several months rent free if they would move voluntarily. The tenants had, however, no interest in leaving their flats in which they had invested a considerable amount of money and time on repairs.

The Turks followed up the eviction notices saying they needed the flats for themselves —the only way to remove tenants in such cases. The tenants rejected the notices, saying they were being subjected to a "social hardship" and one of the Turkish owners went to court.

At this point, the occupants of the building hung protest signs outside their windows emulating squatters who occupy well over 150 buildings in West Berlin

However, the signs did not merely protest against the evictions. They accused the Turkish gastarbeiter of driving the tenants from their flats and said foreigners were trying to expand their interests at the cost of West Germans.

They quickly found support, and a mass circulation West Berlin newspaper opened its columns to letters *from irate* readers.

Several Berliners suggested the Turks had only managed to buy the building by misusing West Germany's family allowance benefits. Several questioned how the five Turkish families had been able to put down DM 270,000 "in cash on the table" for the building.

The West Berlin court ruled *that* the Turkish family was justified in wanting to obtain an apartment in the building it owned but that the West German family should be given a year before vacating the flat.

The West Berlin Justice Department, anticipating a public outcry, said that under West German civil law, foreigners have the same rights and obligations as West Germans.

Commission says 3% growth is in doubt

By John Wyles in Brussels

EEC GOVERNMENTS have been told by the European Commission that they are making relatively satisfactory progress towards achieving their 1990 energy guidelines, but the Commission is clearly sceptical about the reliability of the projections of some governments.

Although several member states are beginning to grapple with the energy implications of lower-than-expected economic growth over the next eight years, the Commission clearly regards Italian projections of 3.5 per cent annual growth and French forecasts of 5 per cent per annum as deeply suspect.

It says that average EEC *growth of 3 per cent per* annum "must now be in doubt" and that this implies lower than expected energy use, particularly of oil. But it points out that growth in electricity demand will also be affected and that investment in rational use of energy also looks likely to be reduced.

According to government forecasts, the Community's consumption of oil in 1990 will be 490m tonnes which will be 42.4 per cent of total gross primary energy consumption. This will bring it within hailing distance of the 40 per cent guideline which the EEC adopted in mid-1980.

However, the Commission says that its own preliminary analysis based on a 2 per cent annual increase in EEC growth points to oil consumption of around 450m tonnes. According to the report, oil market operators may be planning on a demand of around this level.

Another EEC guideline aims to reduce the coefficient between growth in energy and growth in gross domestic product to 0.7 or less.

If growth projections are realised this should be achieved *comfortably* within the 1980-85 period, says the Commission.

But it points to major variations between member states with Denmark on the one hand achieving a 0.24 ratio by 19.. while Greece's is forecast to rise from 1.26 to 1.38.

France aims to reduce the oil share to .. per cent from 60 per cent through vigorous energy conservation and continued development of nuclear power.

West Germany's oil share will fall from 48 per cent two years ago to around 40 per cent through a big increase in nuclear power—up from 4 to 12 per cent of primary energy demand—a 12 per cent increase in the use of solid fuels and a growing role for natural gas

Oil use in the UK could fall to *39 per cent of energy demand* by 1990 with coal and nuclear energy providing 87 per cent of inputs to electricity generation. The energy coefficient is expected to fall to 0.52.

Business almost as usual at bank

By Anthony McDermott and Nora Bonstany in Beirut

BANQUE DU LIBAN, the central bank in Lebanon, is attempting to carry on, against the odds, as though Israel had not invaded and encircled the capital.

Yesterday it announced the forthcoming issue of three sets of Treasury bonds. It also announced that from July 15 new L£100 notes would be in circulation, following the new L£50 notes due to be issued shortly.

The fighting, however, has taken its toll. The central bank has been shut all day on some occasions, for several hours on others, largely because its employees, who live mainly in Christian east Beirut, were loath to make the crossing to the western sector.

This has caused something of a crisis in inter-bank foreign currency operations.

About 100 banks are currently closed for fear of holdups by gunmen, but hitherto, the banking system has shown itself remarkably resistant to political strains and fighting.

In its report of 1981, the central bank said that total deposits in Lebanese banks had risen by 45.4 per cent—from L£27.3bn at the end of 1980 to L£39.7bn 12 months later.

This was in a year when there was a grave crisis between Syria and Israel over the former's missiles in the Bekaa valley, and heavy fighting between Moslems and Christians.

However, political uncertainty before the Israeli invasion had begun to take its toll. According to a study of the Lebanese economy published in the weekly al-Mostakbal, lending between January and March this year had slumped.

But the Government as a whole must be feeling the pinch, not just because of the material and human cost of the destruction, but because of the impossibility of gathering ordinary revenue.

For example, in pre-war times, it used to rely on Beirut airport for about half its revenue.

The airport is now closed and in thte ports, another source of income, illegal smuggling up the coast and fighting has strangled revenue.

Last year the Government managed to gather L£435m to fund planned budget expenditure of over L£2bn. Al-Mostakbal estimated that during the first three months of this year, the amount of revenue collected had fallen by 9 per cent, compared with the same period in the previous year. The prospects are now even bleaker.

DOMESTIC CRITICISM GROWS OVER INVASION

Israelis wonder how far General Sharon plans to go

BY DAVID LENNON IN TEL AVIV

DOMESTIC CRITICISM of the Israeli action in Lebanon is slowly beginning to surface, reflecting growing concern about the ultimate aim of a war which, it was originally stated, was started to push the Palestinians 25 miles north of the Israeli border so that they could no longer shell Israeli border towns.

Some people have expressed considerable alarm over the visit to the U.S. by Mr Menahem Begin, the Prime Minister, which has left the effective running of the war in the hands of General Ariel Sharon, the Defence Minister. Gen Sharon has been accused of having pushed his troops much further north than the original target.

Despite persistent denials by Israeli leaders of any intention of entering Beirut, many people here now believe that Gen Sharon has the bit firmly between his teeth, and will not finally end the war until he has wiped out the Palestinian Liberation Organisation (PLO) in Beirut.

They also fear that he will seek a pretext to re-start the fighting with the Syrians, so that his armour will then have the excuse to push the Syrian forces further east.

Though most people in the country and most newspapers appear to be supporing the action, or at least withholding criticism, some members of the main opposition Labour Party have begun to question the way the war has been allowed to expand.

During the party debate on Tuesday night, Rabbi-Menahem Cohen, a Labour Knesset member, said that eventually there should be a commission of inquiry to look into the circumstances of the war.

In his view, a lot of unnecessary blood had been spilled and he asked why the Labour Party had been silent while the operation was being expanded. Rabbi Cohen also said that he was tired of what he called "this self-righteous attitude of Premier Begin and Interior Minister Burg." The latter had suggested collecting clothes for Lebanese whose own had been destroyed in the Israel invasion.

Professor Shevach Weiss, another Labour Knesset member, warned that the war would do nothing but strengthen the desire of the Palestinians for revenge. Mr Danny Rosolio, also a Labour parliamentarian, cautioned that if a government was set up by Israel in Beirut, then the Syrians would instal a rival government further north in Tripoli.

In the Press the independent and influential Ha'aretz morn-newspaper wrote in a Tuesday editorial: "Rumours are circulating that the Government, and Mr Begin at its head, allowed itself to be dragged after the machinations of the Defence Minister, who, from the beginning, planned the conquests to their present extent . . . who knows whether he does not have further plans even now, . . ."

In yesterday's issue, the editorial page carried five articles by staff writers, every one of them critical of the war in Lebanon. The paper's diplomatic correspondent asked why a limited military operation, supposed to last no more than 48 hours, was still going on after 10 days.

The paper's senior economic writer abandoned military matters to write an article dripping with sarcasm about how the country was being misled by government and army spokesmen about the course of the war:

"Let us not deceive ourselves. Israel was not interested last week or at the beginning of this week in a ceasefire with the guerrillas . . . moment by moment the front is advancing northwards by the method of 'improving position' . . . every 24 hours Messrs Ariel Sharon and Rafael Eitan (the Israeli Chief of Staff) hold a Press conference . . . in order to transmit a summation of events which create the impression that the war has ended; and every morning the citizens of Israel are informed that during the night there were tough battles in this or that area to the south, east or north-east of Beirut."

West Bank councils dismissed

ISRAEL'S civil administrator, on the occupied West Bank, Professor Menahem Milson, yesterday dismissed the town councils of Nablus and Dura which, along with 20 other councils, have refused to co-operate with him for the past month, David Lennon writes. Earlier he had dismissed the mayors of Nablus and Ramallah.

The latest action, taken while the fight is still going on to destroy the Palestinians in Lebanon, underlines the extent of the apparent political aims of General Ariel Sharon, the Defence Minister, who believes that by crushing the PLO militarily, he will also weaken its political power among the Palestinians living under Israeli rule. Most West Bank towns are run by mayors and municipal councils who staunchly support the PLO. After gradually dismissing all of these elected bodies, Gen Sharon and Prof Milson hope eventually to appoint new local political leaders who will be more pliable, willing to accept limited local autonomy under permanent Israeli rule.

Efforts during the past six months to find such collaborators have failed. Gen Sharon clearly hopes that once the PLO is crushed, some Palestinians will be willing to step forward to work with him. But so far the mood on the West Bank has been hardened against Israel by the war in Lebanon. The Palestinians there, far from being cowed are sounding more defiant than ever.

THE INVASION OF SIDON

'They dumped the sick on the beach and everyone ran for it'

BY STEWART DALBY IN SIDON, SOUTH LEBANON

MRS CAROL GHANLOUSH, a British 38-year-old mother of two, left the London suburb of Barnes a year ago with her husband Joe to live in Sidon, the town that has been almost destroyed by the Israeli advance into Lebanon.

Clutching her two-year-old son Safi in her arms, Mrs Ghanloush stood apprehensively by the river outside the town, where she comes to wash every day and described life under Palestinian domination in Lebanon.

The past year had been one of unremitting nervousness and fear, she said. Her husband, originally a Lebanese Shi'ite Moslem but now not religious, had returned to Sidon to join his brothers in their jewellery business.

Mrs Ghanloush, who was a hairdresser before her marriage, said: "Whenever you heard firing you shut your doors and did not go out." The couple would close their shop at the first sniff of trouble and take their jewellery home. Travel around the town was difficult, they said, because gun-toting men of the Palestine Liberation Organisation (PLO) would stop them, ask for identification, and possibly steal money or watches.

Joe Ghanloush said: "They just took your money and did what they liked. It was no use talking to policemen because they were powerless. The Palestinians ran the place; they did exactly as they liked. There was no law and order."

The first they knew of the Israeli advance was Saturday two weeks ago when there was continual bombing.

"We did what we always did when there was bombing. We lay down on the ground floor and hoped it would not be us that would be hit."

When the bombing continued unbroken for 36 hours, Mrs Ghanloush prepared to leave. The next day the Israelis dropped leaflets telling everyone to evacuate because they were going to bomb the town. They had two hours to get clear.

The evacuation was terrible, Mr Ghanloush said. "They carried the sick and wounded out of the hospitals and dumped them on the beaches. Everyone had to run for it, there was no time for anything."

The Ghanloushes were luckier than most, as they had relatives in the mountains. Most people had to go to the beaches, where they shivered by night and baked and were ravenously hungry by day. For two days the Israelis bombed, shelled and rocketed, from land and sea.

From the Israeli point of view, the massive bombardment to smash the PLO camps which left barely a house unscathed, was preferable to hand-to-hand fighting since it involved, for them, less loss of life.

But most of the local population is now homeless and short of food. Disease on a large scale could be imminent. The PLO are still holding hostages in two mosques in a camp in the southern suburbs, and are springing ambushes on the Israelis.

After two days in the hills the Ghanlouches came back to Sidon. Their house had been looted, the electricity barely worked and the water was rancid, useless for washing, let alone drinking.

The family has survived reasonably well since because they have been provident. They had managed to stockpile what Joe Ghanloush calls small tin cans. Each day they leave the city to wash in the river.

Yesterday Mrs Ghanloush said: "We have just three days of bottled water left, what we are going to do after that I just don't know." Joe Ghanloush said the Israelis have given them some supplies. But he added: "They are still fighting the war and have other priorities."

Injured refugees flee the Israeli advance into Sidon

The Israelis have said they are sending 70 doctors, together with ambulances and medical teams to southern Lebanon and are making an effort to provide food and water to the homeless. Their relief effort will be paralleled, it is thought, by the drive from six United Nations agencies to help the up to 1m refugees.

Both the Ghanloushes are glad the Israelis have come. "At least we can sleep safe in our beds at night without worrying about the fighting," Mrs Ghanloush said. She has had enough, however, and wants to leave.

She worries about the effect on her 12-year-old elder son. "He went to see a friend and saw an old man in the street," she said. "It is the first dead person he has ever seen. For the past week he has said to me every day: 'Mum, I can still see those eyes.'"

Inflation in Israel unabated

By L. Daniel in Tel Aviv

ISRAEL'S consumer price index rose by 6.2 per cent in May, indicating that the inflation rate was rising again even before the invasion of Lebanon.

The cost of the war is already estimated, albeit tentatively, at $1bn by the Finance Ministry, and it seems that the cost of repairing the damage in northern Galilee caused by shelling from Lebanon will not fall far short of this.

Measures announced by the Government at the beginning of the week are expected to bring in an extra $700m in a full fiscal year to help cover the cost of the war.

The Government managed to reduce the rise in the consumer price index in 1981 to 101 per cent from the 1980 level of 133 per cent, but the index has risen by 110 per cent in the 12 months ended a fortnight ago.

The increase for the first five months of the current calendar year was 41.4 per cent, compared with 35.7 per cent in the first five months of last year.

Cost-of-living increments of 18 to 19 per cent will become payable at the end of July and tax allowances are being revised upward. These will preserve purchasing power almost totally, so efforts to contain inflation are unlikely to be successful.

Alain Cass, Asia Editor, profiles the progress of a Western-led experiment in a rigid socialist economy

Vietnam abandons a principle in pursuit of efficiency

FERTILE PLAINS 62 miles north of Hanoi are the setting for a bold attempt to graft Western-style management onto Vietnam's rigid socialist economy. The experiment is taking place at a US$500m (£280m) paper mill which is not only far more sophisticated than any other project in Vietnam but is the most modern plant of its kind in South-East Asia.

What makes the Bai Bang paper mill even more remarkable is that the Vietnamese régime has thrown overboard cherished principles, accepting that it cannot run the project itself for the foreseeable future, and has asked Scan management, the Swedish consortium which built it, to take charge.

This is a concession which the Vietnamese have even refused the Soviets. A recent delegation led by Mr Nikolai Baibalnor, the Kremlin's top state planner, had a stormy meeting with Mr Pham Van Dong, Vietnam's Prime Minister, who turned down a Soviet request that their own joint venture projects should be run by Russians to improve efficiency.

Thirty-five years of war has left Vietnam virtually bereft of economic management and its dilapidated industry, as they admit themselves, is working at no more than 30 to 35 per cent capacity. It is plagued by bad management, power shortages, lack of raw materials and an infrastructure which has not been properly maintained since the French left in 1954.

The Swedish International Development Authority, which co-ordinates Sweden's substantial foreign aid programme, and WP-System AB, the project manager and co-ordinator at Bai Bang for the investment phase, are aiming for 80 per cent capacity "within five to ten years."

To do this Vietnamese cadres assigned to the project by the country's Ministry of Light Industry are being given intensive courses in Swedish management techniques both in Sweden and Vietnam. They have been told by the "highest level," according to a senior Swedish executive at the site, to learn and implement such practices anathema to Communism as wage differentials, bonuses, selective recruiting procedures based entirely on ability and sackings for workers who do not come up to scratch.

The chief executive at the mill is a Swede, Mr Pier-Axel Svenigsson, while his number two is a Vietnamese. Each of the sections is similarly structured.

Nguyen Trong Khanh, the deputy technical-director, said Sweden and Vietnam have different economic systems. We are learning from them in the field of management, cost control and supervision. The problem is our workers are slow to take orders. Discipline is not good.

Khanh, like several others on the project, has spent more than two years in Sweden learning western management techniques. His boss, Mr Hans-Olof Lindh, said: "Our contract specifies that we hand over the running of the plant in June 1983. We would love to do this. We are not interested in running it. But the fact is that it would grind to a halt if we pulled out then."

He added "the basic conflict is between the need for supervisors to have power and the Vietnamese communist worker's traditional view of his role. They won't take orders."

The Bai Bank mill financed entirely as a grant, is Sweden's single biggest foreign aid project. Vietnam, in turn, is the single biggest recepient of Sweden's foreign aid, which may explain why the regime has agreed to the unprecedented conditions at Bai Bang. -? -? ? conrtbuition is the land, labour and raw materials.

The project was conceived in the early 1970. The agreement was finally signed in 1974 after an extensive feasibility study was carried out by the Swedish subsidiary of Jaakko Pöyry, the Finnish pulp and paper consultants.

The aim is to produce 50,000 tons of paper on the plant's two machines by September of this year. This would double Vietnam's paper output which, at less than 2 lbs per head, is among the lowest in the world. This compares with 13 lbs in China, 70 lbs in the Soviet Union and 598 lbs in the U.S.

The mill itself consists of the two paper machines, a huge storage area, a 28 mw power plant which produces enough power for a small European town and supplies surplus electricity to local consumers, a water treatment and finishing plant, all of which dwarf the small nearby settlements.

To overcome transport problems to and from the plant 745 miles of road and a rail spur are under construction. Schools, houses, even a hospital has been built. "We're not just setting up a paper mill," said one Swede, "we're constructing a whole society."

In addition some 800,000 hectares, 115 miles north of Bai Bang close to the Chinese border are being planted and will produce 2.5m trees within a few years. At present, with the exception of some local bamboo, all the pulp is being imported from Sweden.

The Swedish and other foreign workers, about 650, live in a comfortable camp and have most of their needs flown in.

Although construction has gone reasonably smoothly under very difficult conditions the project has had its share of problems.

Equipment shipped through Haiphong harbour, 40 miles from Hanoi, has been pilfered at the rate of US$100,000 (£55,555) a year, according to Mr Lindh but, he says, "this is not exceptional for a project this size."

The coal-fired power plant relies on Vietnam's rickety transport system and, until recently, was never assured a steady supply of daily coal. The 250-300 tons of coal comes from coalfields 186 miles away, by barge and is transferred to railway wagons for the last 18 miles.

The shortage of rolling stock means the factory has recently had to hire a fleet of ageing trucks which now shuttle between the barges and the plant. This has resulted in a significant improvement and stocks are now high.

The lack of transport is also probably going to delay delivery of the finished notebooks for Vietnam's schools, a problem which will have to be tackled by the Ministry of Light Industry.

The notebooks which Bai Bang is producing cannot possibly pay for themselves, even though Khanh says his eventual aim is "to make a profit." It has been estimated that their real cost is nearly double the price, fixed by the State, at which they are being sold to schools even after the entire Swedish contribution has been written off.

Is the project too advanced for Vietnam? "Yes and no" says Mr Lindh. "I still think we can make a go of it." An aid expert in Hanoi said, "the project was originally conceived as a catalyst for the rest of the economy. The fact that they can't run it themselves has been a big shock to the Vietnamese. It's a bitter pill to swallow. But it says a great deal for their realism that they have recognised this and have acted accordingly."

Fears grow for Vietnam leader's health

BY JONATHAN SHARP IN BAGKOK

● Left: Pham Van Dong

VIETNAMESE leader Le Duan, whose health has been the subject of rising speculation, has been undergoing medical treatment in the Crimea after being escorted from Hanoi in mid-April by two Soviet doctors, according to Western diplomats.

Two weeks ago, he resurfaced in Moscow for a meeting with Mr Leonid Brezhnev, the Soviet President, but until then he had been in a sanatorium, said one diplomat.

There is no word when Le Duan might return to Vietnam. Two weeks ago the party newspaper in Hanoi, Nhan Dhan, said Le Duan had been "invited" to go to the Soviet Union "for a holiday."

Le Duan, who is 75 and has been Vietnam's top Communist Party official at least since the death of Ho Chi Minh, had made hardly any public appearances in the past six months. The move to the Soviet Union confirms that he is no longer in effective day-to-day control of the party which he nominally heads.

He did put in an appearance at his party's congress at the end of March, but delivered only part of his own speech and he looked "puffy," rather as President Georges Pompidou did before he died, said the diplomat.

There is also serious concern in Hanoi about another pillar of the Vietnamese establishment, Premier Pham Van Dong, who has in recent years openly expressed a wish to resign and may soon be forced to do so through ill-health.

Pham Van Dong's wife is also ill and lives in a sanitorium. Many of his Prime Ministerial duties have been taken over by First Vice-Premier To Huu who is generally recognised as the heir-apparent. He is also Vietnam's leading poet.

Zimbabwe army cost to increase

By our Harare Correspondent

HOPES THAT Zimbabwe's 1982 budget deficit would be substantially below forecast were dashed yesterday with the publication of supplementary budget estimates of Z$51m (£38m).

A total of Z$21m is earmarked to meet demobilisation costs of former nationalist guerrillas who have been taken into the national army, while Z$26m is to finance higher teachers' salaries.

The supplementary estimates will increase the budget deficit by 16 per cent to Z$363m. Previously published figures showed Government spending running well behind estimates, especially on the capital account.

Publication of the figures follows the Government decision on Tuesday to extend the state of emergency in the country for a further unspecified period, to stamp out "anti-state activities."

The Rev Canaan Banana, the state President, said at the opening of Parliament that the action was necessary following the finding of arms caches on farms in the west of the country and "the increasing incidence of violent crime."

He said former guerrillas are to be recruited into the paramilitary police support unit, and a people's militia is to be established to train the civilian population in counter-insurgency.

The President's comments were clearly aimed at the activities of the 2,000 former guerrillas in Mr Joshua Nkomo's Zipra army, who are blamed for an upsurge in violent crime in Matabeleland in which more than 25 people have died recently.

The other main theme of President Banana's address was the extension of state participation in the economy. He promised the establishment of a State Trading Corporation, state industries in certain sectors, and a small enterprise development corporation to assist small businesses, especially those established on "co-operative principles."

There was no mention in the speech of legislation to establish a one-party state, the subject of considerable recent speculation.

Asean ministers fail to produce political initiative on Kampuchea issue

BY KATHRYN DAVIES IN SINGAPORE

THE FIVE Foreign Ministers of the Association of South East Asian Nations (Asean) ended their annual meeting in Singapore yesterday having failed to come up with any new proposals to resolve the Kampuchean issue, which has dominated regional politics since the Vietnamese invasion of Kampuchea overthrew the Khmer Rouge régime in January 1979.

In a final communique Asean ministers merely reiterated their support for United Nations' resolutions calling on the Vietnamese to withdraw their 180,000 troops from Kampuchea and for the holding of independently supervised elections.

They also expressed continued support for the formation of a Kampuchean coalition Government made up of three anti-Vietnamese factions, including the Khmer Rouge and non-Communist leader Son Sann.

Despite Asean's energetic diplomatic efforts such a coalition is looking increasingly less credible while both regional and international negotiations on Kampuchea are making negligible progress.

Asean is now adopting a wait-and-see attitude to the visit next month of Vietnamese Foreign Minister Ngyuen Co Thach to three Asean countries — Malaysia, Indonesia and Singapore. Earlier this week Radio Hanoi, the official mouthpiece for the Vietnamese Government, said that Kampuchea was not an issue between Indochina (Vietnam, Kampuchea and Laos) and Asean, but an issue between Indochina and China, which had ambitions to become the dominant power in the region.

Asean's view is that the Vietnamese occupation of Kampuchea has led to Soviet involvement in the region and thus to inevitable conflict between Russia and China. Mr Thach's visit seems unlikely to break the deadlock unless his country's willingness to talk to Asean signals a change of Vietnamese tactics.

Indonesia, as the largest Asean state, is becoming impatient however with the whole Kampuchea crisis and would perhaps settle for the recognition of the pro-Vietnamese Heng Samrin Government in Kampuchea in return for a Vietnamese pull-out.

Turning their attention towards economic issues, Asean Foreign Ministers expressed anxiety over protectionist measures being taken by developed nations as a result of the recession. Asean now holds bilateral discussions with Japan, Australia, Canada, New Zealand and the European Community which are likely to focus on the effect of falling commodity prices on Asean economies, as well as demands for greater access to the markets of developed countries.

The talks are likely to be particularly sensitive with the European Community, whose president, Mr Leo Tindemans, was forced to make an embarrassing change of mind on attending the meeting in Singapore, following outraged Asean reaction at the prospect of dealing with a low-level EEC delegation.

Argentine nuclear safeguards approved

VIENNA—The International Atomic Energy Agency has approved a safeguard agreement with Argentina for supplies of partially-enriched uranium from the Soviet Union, an agency official said yesterday.

A statement from the agency said the agreement, approved on June 9, covers safeguards on supplies from the Soviet Union to Argentina—including an initial shipment of 100 kilograms of 20 per cent enriched uranium.

Twenty per cent enriched uranium may be used in power plants or in research projects, but experts say it is too low grade to use in making nuclear weapons.

Highly-enriched uranium and plutonium, which are components of the fuel cycle in some nuclear power plants, may also be used to make nuclear arms.

The 110-country agency headquarters in Vienna monitors the safety of nuclear power plants around the world and conducts inspections to make sure no fuel is being diverted for weapons use.

The agreement spells out details of how and when inspections in Argentina may be carried out. It was granted at the request of Argentina, the spokesman said.

"They voluntarily asked the agency to come and inspect," the official said.

It was the second such agreement on nuclear material safeguards involving shipments from the Soviet Union, said the official, who declined to be identified.
AP

Frustrated nationalism revives political discontent

BY HUGH O'SHAUGHNESSY IN BUENOS AIRES

AS WORKMEN cleared the mess left by Tuesday night's anti-Government riots and armed police stood threateningly at the city's street corners, politicians and senior military officers yesterday began pondering the consequences of the violence which left 200 in jail and widespread damage to shops and vehicles.

Most were agreed that the disturbances marked a boost for the Marxist Left, something of a reverse to the Peronists and bad news for the military junta. All this suggests a more unstable political outlook for Argentina, and no one is ruling out an upsurge of political violence.

The crowds in the capital's Plaza de Mayor, whose violence and booing stopped General Leopoldi Galtieri appearing on the balcony of Government House, were protesting against two things.

They were venting their anger at the conduct of the Falklands campaign, calling for no surrender. More generally, they were voicing once again the popular discontent with six years of military rule which Argentines believe has brought economic policies that are responsible for unemployment, falling living standards and the ruin of the country's industry.

This intoxicating mixture of frustrated nationalism and economic discontent meant the demonstrators savoured the opportunity of screaming insults at the Government and what they saw as the incompetence and cowardice of its leaders.

The sentiments they expressed are not confined to Buenos Aires's riotous youth. In more measured but no less politically effective tones, the conservative daily La Prensa yesterday commented that the demonstration "not only was spontaneous and genuine . . . but was also justified."

But it was the small Marxist groupings—such as PST or Workers Socialist Party, the Socialist Youth and the Union of Youth for Socialism—rather than the staider leaders of La Prensa who bore the brunt of Tuesday's demonstration.

There is little doubt that the Left, which historically has never been very strong in Argentina, has seen a major possibility of political initiative.

This leaves Argentina's majority grouping, the Peronists, somewhat wrong-footed. As the Falklands adventure started, many Peronist leaders revelled in what they saw as a victory for Argentine nationalism.

Never enthusiastic for parliamentarianism, they saw an opportunity to come to power again in an alliance with the victorious military. Such an alliance, they hoped, would allow them to trade some genuine popular support, which Gen Galtieri needed, for a reversal of his unpopular monetarist policies in favour of reflation

With Gen Galtieri's military defeat, the Peronists' courting of a highly unpopular junta has become embarrassing.

Still, it would be premature to dismiss Peronism. The impending launch of a Peronist daily paper, La Voz (The Voice), under the aegis of the left-wing of the movement, is certain to be a shot in the arm.

For the middle of the road Radicals, the best and most widely organised of Argentina's parties, the mood of discontent is good news.

The politician who is their interim leader Sr Carlos Contin, has been compromised by his support for the military, but the party's initiative lies with Sr Raul Alfonsin, a more outspoken figure, who has been pressing for the military to quit government.

He wants ex-President Arturo Illia, the 82-year-old Radical who was toppled by the military in 1966, to head a new civilian government.

Few people here think changes are far away. If Gen Galtieri should go, it is possible that power would be handed over temporarily to some fellow officer before civilian rule is restored. For the moment, however, no one wants to inherit the troubles—political, economic, military and diplomatic — of the junta.

A wrecked Argentine Pucara aircraft at Goose Green

Sadness rather than revenge governs surrender ceremony

Richard Savill sent the following dispatch from Port Stanley: Thousands of Argentine soldiers queued on the outskirts of Port Stanley Airport today to hand over their weapons to British troops.

Long lines of forlorn-looking soldiers dressed in their drab green combat fatigues and helmets waited patiently to give up their rifles, handpistols, machine guns and mortars to Royal Marines.

Many of the Argentine soldiers, their faces still blackened for battle, seemed upset by the humiliation of the experience. Others were obviously pleased and delighted that the fighting was over.

Supervising the operation was Major Mike Norman of 42 Commando, the Marine forced into a surrender of the Falklands after the Argentinian invasion ten weeks ago.

He had only served four days of his year-long posting when captured. He said: "It's nice to be back. There is no feeling of revenge. I just feel sad for the civilians here because the Argentines have made such a filthy mess of Stanley.

With him was one of the commandos forced to lie spread-eagled on the ground immediately after the Argentine invasion—captured in a newspaper picture which epitomised the humiliation of Britain's defeat.

Marine Robin Arnworth, 23, from near Bolton, said: "It's fantastic to be back. It's especially nice to be standing here supervising the handing over of the Argentines' weapons because that is exactly what they made us do all those weeks ago."

Further along the road, Stanley Airport presented a desolate scene. The windswept runway and apron, only several hundred yards from the sea, was littered with wrecked aircraft.

There were nine Pucara fighter bombers, still armed with machine guns and rockets. Some of the Pucaras, which had presented a serious threat to advancing British troops, had been badly damaged in Harrier air attacks on the airfield.

A huge bomb crater on one side of the runway had been crudely filled in with earth, but planes had obviously been using Stanley Airport freely.

Everywhere there were signs of modern artillery and anti-aircraft weaponry.

Scenes of devastation on Davis Street, the road nearest the airport, were evident. One building had a gaping hole in its side. This was the part of the town abandoned by local people for safety

Only yards away from the rubble, Union Jack bunting now flies proudly. A red ensign blows strongly atop the church flagpole. The streets are filled with British and Argentine soldiers.

When soldiers from different armies meet in the street they exchange glances. Occasionally there is a curt nod and the Argentines venture a few words of broken English.

Text of surrender document

"I, the undersigned, Commander of all the Argentine land, sea and air forces in the Falkland Islands, M. B. M. (Mario Menendez) surrender to Major-General J. J. Moore, CB, OBE, MC, as representative of Her Britannic Majesty's Government.

"Under the terms of this surrender, all Argentine personnel in the Falkland Islands are to muster at assembly points which will be nominated by General Moore, and hand over their arms, ammunition, and all other weapons and war-like equipment as directed by General Moore, or appropriate British officers acting on his behalf.

"Following the surrender, all personnel of the Argentinian forces will be treated with honour in accordance with the conditions set out in the Geneva Convention of 1949.

"They will obey any directions concerning movement, and in connection with accommodation.

Hopes for islands' economy

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

AS the British Government begins to focus on the process of rebuilding the Falklands, bright hopes were being held out yesterday of reversing the islands' slow decline.

In London Lord Shackleton, the Labour peer who is updating his 1976 report on the Falkland Islands for the Government, said: "I am confident that there could be a viable economic future for the people."

In Exeter, Mr Rex Hunt, the former governor who will return to take over civil responsibility, said that 600 people had applied to settle among the 1,700 "kelpers" to help them rebuild the islands.

Speaking at a Maritime Heritage exhibition, he said the new settlers would help provide such skills as baking and hairdressing, of which the islanders had been short for years.

Lord Shackleton's optimism was tempered by the warning that the "tragic history of the Falklands" is that "we use them and forget them."

Speaking aboard HMS Discovery—the ship used by Scott of the Antarctic and Lord Shackleton's father, explorer Sir Ernest Shackleton — he warned of the considerable investment needed by the islands.

He also suggested that the islanders "could make millions running a tourist trade," commenting "everybody wants to go to the Falkland Islands now."

The Falkland Islands Office in London believes that expected oil reserves could ensure the prosperity of the islands, but Lord Shackleton yesterday emphasised their traditional resources.

He discouraged expectations of an early development of oil and stressed that wool from the sheep on the islands—600,000 of them before the fighting—was the main source of their wealth.

Mr Hunt has been arguing that the islanders could improve their earnings if there is investment in the equipment necessary to wash, scour and knit the wool. At present it is exported unprocessed. The former governor believes that both mutton and beef could be exported from the Falklands. There have been private British enquiries into this and U.S. enquiries into exploiting what are the largest kelp—seaweed—beds in the world, he said.

On Monday Mr. Hunt said that even before the fighting the islands had needed about £30m over the next five years to deal with basic problems such as roads and water supply.

However, this process of reconstruction will depend on the extent to which the islands are harassed by Argentina.

This in turn will determine the size of the garrison which Britain keeps on its lonely Antarctic outpost.

War boosts Coalite propects

BY SUE CAMERON

WAR can be good for business—as the UK-based Coalite group, owner of the Falkland Islands Company, is beginning to find out.

Not that Coalite itself, whose interests stretch from smokeless fuels and chemicals to vehicle building and warehousing, has much hope of increasing profits from the Falkland Islands Company in the short term.

In the aftermath of the war in the South Atlantic, it is fearful of the depredations that may have been wrought on the last wool clip and on the Falkland Islands' 640,000 sheep.

But Coalite has now started to receive a steady stream of overtures from individuals and companies who are keen to go to the Falklands to live and farm or to develop new industries there—notably fishing and fertiliser production.

There is also the possibility that a meat industry could be developed and the tantalising prospect of large amounts of offshore oil being discovered there.

Coalite appears to be more than willing to consider all or any of these proposals. But privately, senior executives hold out litte hope of them coming to anything in the longer term.

The group, based at Bolsover in Derbyshire, says it has looked at the potential for developing new industries itself in the past. It has generally found two insuperable difficulties in the way:

- Distance. The geographical isolation of the islands which put such strains on Britain's persecution of the war is also a major impediment to exports. Expanding the fishing industry—at present tiny—or using seaweed to produce fertiliser are both perfectly possible. But where would the markets for such products lie? And could they be sold competitively once substantial freight charges had been added to the costs?
- The islanders themselves are primarily sheep farmers and they seem to want to stay as farmers.

Whether it will be possible for the islanders to resume their usual way of life will depend largely on the political solution that is found to the Falkland Islands issue. The permanent presence of a large number of garrison troops could make it very difficult—if not impossible—for life to go on as before. Some islanders could emigrate.

In the immediate future, Coalite's chairman, Mr. Ted Needham, is hoping he will be among those given priority to visit the islands.

One of his first concerns will be to find out how far the stock of sheep has been depleted by the Argentines and whether or not the stocks of wool have been damaged.

In the meantime, the ship Coalite charters to take supplies to the Falklands has now been able to continue the journey that was so rudely interrupted by the actions of Argentina three months ago.

Foreign concerns bound by equal rights

BY PAUL BETTS IN NEW YORK

THE U.S. Supreme Court, the country's highest legal authority, has ruled that subsidiaries of foreign companies in the U.S. are bound by American employment and civil rights laws not to discriminate in their hiring and promotion practices.

This reverses a long-standing policy backed by bilateral trade treaties between the U.S. and scores of foreign countries whereby foreign companies could hire and promote employees of their choice, by-passing U.S. nationals.

In turn, the Supreme Court ruling could have broad implications on foreign investment in the U.S. as well as adding further strains in foreign trade relations between the U.S. and other countries, especially Japan.

The Supreme Court decision *emerged out of a specific case* involving Sumitomo Shoji America, the New York subsidiary of a major Japanese trading company. The Japanese subsidiary had been sued by 12 secretaries who charged they were illegally denied promotions and who accused the company of violating the 1964 Civil Rights Act by giving management jobs exclusively to Japanese men.

The 12 secretaries have since left the Japanese subsidiary, but the Japanese company *claimed* that a 1953 trade treaty between the two countries gave it the right to hire the management staff of its choice, as do U.S. subsidiaries in Japan.

As a "company of Japan," it said it was entitled to fill senior management positions with the personnel it wanted, namely male Japanese nationals.

Before the case was taken up by the Supreme Court, the Japanese company asked a Federal District court to dismiss the suit, but the court refused. Subsequently, a Federal Appeals Court in New York ruled in the Japanese company's favour, holding that the Japanese company was protected by the treaty. The Supreme Court *has now reversed the Lower* Appeals Court ruling.

The Supreme Court ruling clarifies the status of U.S. subsidiaries of foreign companies and is designed to curb abuses by these subsidiaries of U.S. employment laws. The Court also acknowledged that under certain conditions, there were bona fide reasons for subsidiaries to hire and promote their own nationals.

Call for resignation of Labour Secretary

BY ANATOLE KALETSKY IN WASHINGTON

THE CHAIRMAN of the Senate Labour Committee, Mr Orrin Hatch, has advised President Reagan to seek the resignation of his Labour Secretary, Mr Raymond Donovan, after disclosures about Mr Donovan's alleged links with organised crime and union corruption.

Mr Donovan's career as an executive and part-owner in the Schiavone Construction Company in New Jersey has been under investigation since January by a special prosecutor. He has denied the allegations made against him.

Mr Hatch's request, made in a telephone call to the White House on Tuesday, coincided with an open letter backed unanimously by Democratic Party senators, which called on Mr Donovan to "step aside" until a special prosecutor completes an investigation.

There are growing fears in the White House that the affair, *which has raised questions about* the conduct of Administration officials during Mr Donovan's confirmation hearings last January, could provoke a wide-ranging scandal.

The requests for Mr Donovan's removal follow the FBI's disclosure that it had informed the White House in January 1981 of Mr Donovan's "close personal and business ties with known Cosa Nostra figures." The Senate Labour Committee had not been shown this report during its confirmation hearings. Under normal procedures, the White House and FBI would have informed the committee.

Meanwhile, last Friday, the *body of Mr Fred Furino, a for*mer New Jersey official of the Teamsters Union, was found with a bullet wound through the head in the boot of a car in Manhattan. On Tuesday, the Special Prosecutor dealing with the Donovan allegations said that Mr Furino had been questioned during his investigation.

In their letter to the Presi*dent, the Senate Democrats said* they had restrained themselves in their comments on the Donovan case.

Irregularities alleged in Bahaman election

BY NICKI KELLY IN NASSAU

THE PROGRESSIVE Liberal Party Government of Mr Lyndon Pindling, the Bahaman Prime Minister, has been accused of "widespread irregularities" in the conduct of the country's June 10 general election.

Mr Kendal Isaacs, leader of the opposing Free National movement, made the accusation, claiming that his party had confirmed "without a shadow of a doubt" that the PLP had not competed fairly in trying to win the election.

The FNM, which won only 11 of 43 Parliamentary seats, said it intends to challenge the results in court of at least three and possibly four constituencies where what it calls the "illegal transfer of voters from one constituency to another definitely affected the outcome. The party lost the three seats by narrow margins.

Mr Pindling has made no comment on the allegations. He had hoped for a stronger election mandate.

Mr Isaacs claimed that up to and including the 1977 election, voters registered in one constituency could not transfer to another once the registry was closed. "In this election the Parliamentary registrar allowed transfers up to election day," Mr Isaacs claimed. The FNM leader was confident his party's position would be upheld by the elections court.

Bye-law election petitions must be brought before the court within 21 days after the first meeting of the new House *of Assembly on August 10.*

Mr Isaacs said other irregularities involved the use of PLP "generals" as presiding officers in polling stations and multiple voting in several different constituencies by a number of persons. "I am confident the FNM would have won the election had it been conducted fairly," he said.

The PLP captured 32 seats, but only 55 per cent of the popular vote. In New Providence, where two-thirds of the population lives, the ratio was 17 seats to six, although the FNM won 47 per cent of the popular vote.

The election of 11 FNM representatives now makes it constitutionally impossible for the *PLP to achieve the three*quarters majority needed in both Houses of Parliament to amend the constitution. These deal with fundamental rights and freedoms, citizenship and the establishment of parliament.

Nicaragua debt payment

MANAGUA—The Nicaraguan Government paid off \$36m of its \$2.5bn foreign debt and called on the international banking community to re-establish lines of credit, the Finance Ministry said.

Nicaragua was determined to pay "*the last cent of* this debt, despite the economic difficulties aggravated by the recent floods," caused by a tropical storm. The storm resulted in damage estimated at \$200m.

The left-wing Government that deposed the right-wing regime of the late Anastasio Somoza in July 1979 says it inherited a \$1.6bn foreign debt that has increased by \$900m to a total of \$2.5bn. AP-DJ

Pemex lays off 4,000

MEXICO CITY — The state oil monopoly Pemex laid off 4,000 workers in north-eastern Mexico, citing decreased oil drilling and construction stoppages as a result of Federal budget cuts and lower oil revenues, officials said on Tuesday.

Pemex said in Reynosa, 500 miles north of the capital, 3,000 temporary workers and 1,000 full-time workers were involved in the lay-offs, caused by an economic slow-down here. Contract work at 13 Pemex sites in north-eastern Mexico had stopped.

Reuter

Anatole Kaletsky in Washington reports on rituals of expiation a decade after the scandal

America dredges through the sediment of Watergate

THE DEPTH of national attention on the tenth anniversary of the Watergate scandal that drove President Richard Nixon from office is proving once again that truth is stranger than fiction.

It was at 2 am a decade ago that five burglars were arrested while ransacking the offices of *the Democratic National Com*mittee in the Watergate office/apartment complex in Washington.

What at first appeared a minor incident in an election year turned out to be the start of the worst political scandal in the country's history.

Soon after the burglars' arrest, it emerged that they worked for an organisation known as Creep, or the Committee to Re-elect the President. President Nixon was then in the midst of a campaign that was to lead him to an overwhelming re-election victory over his hapless Democratic Party opponent, Mr George McGovern.

Over the next two years facts began to emerge showing the extent to which White House aides, the President's own assistants and even the President himself, were involved in planning the "dirty tricks" election campaign and the subsequent efforts to cover their own tracks.

The Nixon cabinet began to take on the public appearance of a gang of louts and incompetent liars. The process by which Government was conducted disintegrated into a string of "expletives deleted," the term that became inexorably linked with the president's own use of coarse language in discussing White House matters.

Ten years later, the media are not about to let sleeping dogs lie. In the past two weeks, newspapers, magazines, and TV stations have organised a veritable orgy of Nixon interviews, Watergate reminiscences and specially-made anniversary documentaries with titles like "784 Days that Changed America."

"Wallowing in Watergate" as Richard Nixon himself once called it, has been a singular passion in the U.S. The rest of the world has been facinated too. Foreigners have always watched it with an incredulity that comes from knowing that such a ritual supposedly could never take place in their own land.

Time, the weekly news magazine, expressed it eloquently, though not without a touch of irony: "Watergate was an American morality play. The Constitution was the hero."

The most tangible facts of the scandal bear this out.

Apart from the fall of Richard Nixon and the jailing of 25 of his associates, for periods up to 52 months, Congress passed several measures which strengthened Constitutional Government. The Freedom of Information Act was passed into law, new restraints were placed on the FBI and the CIA, a system of public funding for election campaigns was established. A further result of Watergate was to make all public figures (and their private affairs) fair game for examination and dissection by the Press.

President Richard Nixon and aides in happier days—before the Watergate scandal scuppered them all.

But an inescapable irony is that the fate of many of those involved upheld some of the optimistic ideals which underlie the American way of life.

Most of the criminals have come out of jail as reformed characters, and many have found ways of profiting from their misfortune in the true spirit of American entrepreneurs.

Top aides John Erlichman and H. R. Haldeman—described by the President as "the *nation's finest public servants*"—have made fortunes from the proceeds of books about Watergate. John Dean, whose Congressional testimony hinted at Presidential involvement, and Gordon Liddy, who headed the ill-fated "plumbers" Watergate burglary unit, are mainstays of the national lecture circuit, commanding fees of \$3,000 and \$4,000 a night.

White House aide Charles Colson, known as "The Hatchetman," has become a born-again *Christian.* One of the five original burglars, Virgilio Gonzalez, is now successfully practising his trade as a locksmith.

The one human casualty appears to be Frank Wills, the security guard who detected the burglars in the Watergate building. But for the anniversary, he is ignored and unemployed, except for the \$50 he seeks for newspaper interviews, and spends much of his time communicating with imaginary beings.

John Mitchell, President Nixon's Attorney General and head of the re-election campaign, though barred from law practice, now runs a successful international business consulting firm.

The former president himself *is well on his way to rehabilita*tion as the Republican Party's elder statesman. He has earned millions of dollars from books, TV appearances and property deals, and he said recently: "Remember Lot's wife, never look back."

The Watergate scandal has shown politics in the U.S. at its seamiest and has tapped the country's never-say-die spirit.

But the real significance of Watergate may turn out to be deeper than these.

It has made the U.S. public focus on the trivial features of its leaders at a time when it should have been thinking hard about the policies they represent. It brought the American obsession with personalities *rather than issues to its apogee.*

WORLD TRADE NEWS

European steel burden-share to be considered

BY GILES MERRITT IN BRUSSELS

EUROPE'S leading steelmakers are to consider a burden-sharing proposal for spreading the effects of the recent U.S. measures against imported steel more evenly throughout the EEC.

The suggestion, which will be urged by Belgium's crisis-stricken Cockerill-Sambre group, is to be put to the EEC's 12 leading and mainly state-owned steel producers when they meet next week in the forum of the Eurofer steelmakers' "club."

The aim of the burden-sharing proposal is to prevent the new U.S. countervailing duties on steel from EEC producers that enjoy major restructuring subsidies from endangering the EEC's fragile steel regime governing prices and production.

It is widely feared, inside the European Commission and throughout the EEC steel industry, that the duties, which particularly strike the British, Belgian, French and Italian state-owned steelmakers, could result in serious pressures being put on the EEC's internal steel market by lost exports of some 1.7m tonnes a year.

The main thrust of the scheme to be put to Eurofer is that a system of export "swap" arrangements should be worked out.

Those major EEC producers unaffected by the U.S. measures notably Thyssen of West Germany and Hoogovens of the Netherlands, would thus take over the U.S. contracts and market arrangements of big steelmakers.

These would include Cockerill-Sambre, Usinor, Italsider and British Steel Corporation whose U.S. export businesses are being hurt by the uncertainties surrounding provisional duties of 15-40 per cent.

In return, those EEC companies with a clean bill of health from the U.S. subsidies *investigation would cede* contracts in their non-U.S. export markets to producers whose U.S. steel sales are hard hit.

How the proposals will be greeted at the Eurofer meeting due to take place either in Brussels or Paris at the end of next week remains uncertain.

U.S. officials, who are aware of the scheme and confirm that there are no obvious legal barriers to its implementation, are sceptical about the readiness of some EEC steelmakers to sacrifice increases in overall exports.

The U.S. experts point out, moreover, that in some EEC member states certain producers have had only slight countervailing duties of around 2 per cent imposed on them. If the major producers were to negotiate special sales arrangements with them it would in theory be possible for exports to be funnelled through them to the U.S., provided there was no element of fraud.

U.S. officials in any case believe that the 1.7m tonnes of potential lost EEC sales to the U.S. market will be considerably reduced by other European steelmakers' efforts to take up that slack.

Imports said to be hurting U.S.

WASHINGTON — The U.S. International Trade Commission made a preliminary determination that the U.S. steel industry is being harmed by imports of certain steel products from four countries.

The Commission voted to uphold the subsidies complaint filed in early May by U.S. Steel Corporation regarding imports of South Korean hot-rolled plate, hot-rolled sheet, galvanised sheet and welded carbon pipe and tube as well as pipe and tube products from Brazil, France and West Germany.

The agency rejected complaints regarding imports of South Korean cold-rolled sheet and Italian pipe and tube.

Under U.S. trade laws the complaints that were upheld will be sent to the Commerce Department for further consideration.

U.S. Steel wants the government to place countervailing duties on the imports.

The cases were separate from those in which the Commerce Department on Friday found that steel being shipped from nine foreign countries, including the EEC, to the U.S. has benefited from illegal government subsidies.

ITC staff experts told the commission that South Korea was a relatively small supplier of the carbon steel sheet and plate products to the U.S. market.

● Australia's only raw steel maker, Broken Hill, said it wants a sharp cut in import quotas for some steel products.
Reuter.

Hyundai in line for $250m Indian offshore deal

BY ANN CHARTERS IN SEOUL

HYUNDAI Group has received a letter of intent from the Indian Oil and Natural Gas Commission to build $250m (£138m) water injection facilities for Bombay High, the offshore oil and gas field in the Arabian sea, 160 kms north-west of Bombay.

The facilities, to be built on a turnkey basis, include a water injection process platform with a capacity for treating 320,000 barrels daily, four water injection well platforms and 37.5 kms of submarine pipeline.

Salt water must be converted to soft water before it is injected into drilling holes in order to get the proper pressure.

Hyundai Heavy Industries and Hyundai Corporation, the trading arm of the group, are named as co-builders. Hyundai Heavy Industries is responsible for the design, engineering manufacture, transport and installation of the facilities.

The group plans to use its own technology for most of the project, but will subcontract the erection and installation of the structures to either a U.S., French or Italian company specialising in the field.

Hyundai Corporation is arranging the financing for 60 per cent of the $150m Korean portion of the order. Should the Korea Export-Import Bank rate not be satisfactory to the client, Hyundai plans to co-finance the project.

The letter of intent is being regarded as a binding document with the March 1984 delivery time calculated from the date of the letter.

Financing for the remaining 40 per cent of the Korean portion and the $100m portion for Indian civil work and supplies is being arranged by the Indian commission.

Offshore oil development in the Indian field has been largely awarded to Japanese companies in the past, but Hyundai indicated that pricing and delivery time were instrumental in winning this order despite bidding from Japanese and U.S. companies.

Toyota and Nissan exports show fall in May

TOKYO—Toyota Motor said its vehicle exports in May fell by 8.9 per cent to 149,900 from 164,500 in April and down by 4.4 per cent from 156,000 a year earlier.

Nissan Motor, makers of Datsun cars, said its May exports were 114,000, down 4 per cent from 118,800 in April and down 12.8 per cent from 130,700 a year earlier.

The fall in Toyota's exports was the 13th consecutive monthly year-on-year decline while the fall in Nissan's exports was the fifth in a row.

Both car companies said the May falls were mainly because of a sharp drop in shipments to the EEC and African markets, reflecting slower demand there.

Toyota attributed the smaller exports to Africa in particular to import restrictions imposed by Nigeria.

Toyota's May total comprised 95,100 cars, 53,100 trucks and 1,700 buses, while Nissan's total included 80,500 cars, 32,300 trucks and 1,200 buses.

Toyota's shipments to the U.S. fell by 2.4 per cent from the previous year to 61,600 vehicles and those to the EEC were down 19.4 per cent to 14,800, including 2,000 to Britain, down 35.8 per cent and 2,900 to West Germany, down 51.0 per cent.

Nissan exported 53,000 vehicles to the U.S. down 0.5 per cent from a year earlier, and 13,000 to the EEC, down 49.1 per cent, including 6,200 to Britain, down 48.5 per cent and 1,400 to West Germany down 77.7 per cent.

Toyota's exports to Saudi Arabia rose 34.4 per cent to 11,900 from a year before and Nissan's shipments there quadrupled to 7,700.

Toyota shipped 4,500 units to Africa, including only 23 to Nigeria, against 5,800 a year earlier, while Nissan's exports to Africa fell 43.4 per cent to 8,400.—Reuter

Call to cut subsidies for electronics

By Our Brussels Correspondent

A PLEA for market forces to be allowed free play to rationalise Europe's computerised data base industry has been made by a senior European Commission official.

Speaking at a CII-Honeywell Bull seminar in Brussels on informational retrieval, M Andre Manperon made it plain that EEC governments' subsidies to the infant electronic data industry are counterproductive.

If the $100m (£55.5m) or so being pumped into the 36 separate computerised information centres in existence in the Community was to be stopped, he said yesterday, the data base industry would become healthier and more efficient.

M. Manperon said that the *present situation* was like having too many stores each carrying a limited range of products in the same town. EEC governments should allow some of the host computers to go to the wall. This would help the EEC move towards the U.S. position.

U.S. prepared for Gatt action against Japan

BY OUR WORLD TRADE STAFF

THE U.S. is prepared to take action in the General Agreement on Tariffs and Trade (Gatt) against Japan, if negotiations to lift Japanese trade barriers are not successful.

The prospect of a U.S. action against Japan was opened by Mr William Brock, the U.S. Trade Representative, during congressional testimony before the foreign affairs subcommittee of the House of Representatives.

Mr Brock told the subcommittee that the trade concessions announced last month by Japan, when planned tariff reductions were accelerated and others offered unilaterally, had addressed fundamental U.S. concerns.

But asked whether he was prepared to file a trade restriction complaint, if further negotiations failed, he replied: "The answer is yes."

The U.S. remains anxious to open up the Japanese market for U.S. food exports, but the Japanese Government has made it clear that further concessions are unlikely.

Mr Brock noted that duties remained on U.S. tobacco, plywood and veneers exports.

Any U.S. action against Japan within Gatt, through the use of its trade disputes procedures, is *consistent with policy developed* since the end of the Tokyo Round multilateral trade negotiations during the 1970s.

At present the U.S. has a batch of complaints about agricultural trading, largely against the EEC, outstanding within the Gatt.

How EEC aid funds can bring about commercial benefits

BY PAUL CHEESERIGHT WORLD TRADE EDITOR

MR JOHN ORPIN, a British businessman, has recently been in Jakarta with the marketing director of Sykes Pumps, which has recently allied its expertise with that of Fritz Werner, a Frankfurt company, to develop a new alternative energy source, using rice husks.

While he was there he saw officials of the Association of South East Asian Nations (Asean) of which Indonesia is a member. He persuaded them that a pilot plant using the Sykes-Werner technology would be desirable. They, in turn, agreed to submit the pilot plant proposal back to the EEC in Brussels to have it financed from funds available under EEC-Asean co-operation agreements.

During the same visit, Mr Orpin went to see World Bank representatives. They said the World Bank would think of incorporating the project into a $70m World Bank loan soon to be signed, if the Indonesian Government made an application. So Mr Orpin went off to see the relevant ministries.

If the funds come through and the pilot project works, a market could be opened up in South east Asia. The wheels of commerce would be oiled by aid funds.

Mr Orpin sees his job as allying clients with funds which are available through official institutions, like those of the EEC. It is a new business: John Orpin and Associates started up in London at the beginning of the year.

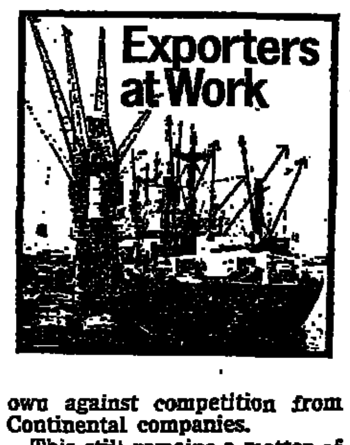
There are two sides to this. First there is the identification of opportunities in the developing world, under the umbrella of the second Lomé Convention, the wide-ranging economic co-operation pact the EEC has with countries in Africa, the Caribbean and the Pacific.

The EEC's main financing vehicle for development projects in the Lomé countries is the European Development Fund (EDF), which has a 1981-85 budget of $7.5bn.

The other side is to draw EEC funds to the UK, through the European Investment Bank and funds like those dealing with social affairs and regional development. Hulberts, the Dudley light engineering company, is an example Mr Orpin cites of a business needing funds for a new plant and able through him, to try and arrange them in Brussels.

But, as far as winning funds to finance overseas contracts is concerned. Mr Orpin's business fits into a corner of the market which hitherto has not been successfully exploited by UK companies. Although they have been successful in winning consultancy and supply contracts funded by the EDF, they have done less well with works contracts.

Evidence from the British Overseas Trade Board to the House of Lords Select Committee on the European Communities in October, 1980, noted that UK work firms are presenting very little competition in the non-anglophone areas. In the anglophone states they are failing to hold their own against competition from Continental companies.



This still remains a matter of official concern. The UK Government is providing £470m—at present exchange rates—to the current EDF budget. This is 18 per cent of the total funds. But British companies are only winning about 12 per cent of the available contracts. This is slightly higher than in 1980.

Within this context, Mr Orpin is offering what he calls a personalised service, putting his clients in touch with those running the development programmes, to bring them in on the ground floor so that they are better placed to win contracts when they become available.

He quotes the case of helping Circapoint of Maidstone. The company wanted to bring 12 people from Zimbabwe to the UK for training in the making of circuit print boards. But the request for funds to support this would have to come from the Zimbabwe Government. By undertaking this training programme Circapoint would be better placed to win contracts for the joint venture company it wants in Zimbabwe.

This sort of technique is used by Continental companies. Dr W. Black-Campbell, explained to the Lords committee on behalf of the BOTB's Tropical Africa Advisory Group how a company or an individual can suggest development projects.

"There is a very strong indication, on circumstantial evidence, that particularly firms from other EEC countries —I would think most certainly France, Italy, possibly Germany and Belgium—do take a very considerable degree of initiative to suggest projects, and by so doing, putting themselves in a preferred position.

"It virtually comes down to the point that, with a contract suggested by a firm to the government or government agency, they put themselves in a preferred position, and virtually get the contract by mutual agreement, or direct award."

For France, Italy and Belgium, the technique seems to have worked. Their companies all won a bigger percentage of the EDF-funded contracts in 1978-79 than the percentage of funds provided to EDF by their governments.

Mr Orpin, working on agreed *expenses and a fee basis for* work done, is seeking to redress the balance, remembering that Third World development has become a money game which can be played in Brussels.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1981							
1st qtr.	99.6	88.8	96	106.6	130.8	2,282	100
2nd qtr.	99.0	88.9	92	104.7	134.5	2,482	89
3rd qtr.	99.9	89.8	104	105.5	139.1	2,641	96
4th qtr.	100.3	89.9	90	105.4	168.5	2,753	104
Oct	101.6	91.5	92	106.2	147.8	2,523	99
Nov	100.1	90.0	94	105.6	158.4	2,760	104
Dec	99.1	88.1	83	104.6	193.1	2,769	108
1982							
1st qtr.	99.7	89.4		106.6	141.3	2,817	112
Jan	99.2	88.3	92	107.0	143.9	2,812	112
Feb	99.7	89.8	97	106.1	137.6	2,818	113
March	100.2	90.2		106.6	142.3	2,822	111
April				105.9	146.1	2,850	110
May				106		2,872	107

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
1st qtr.	93.6	88.3	117.2	84.2	75.7	76.8	11.1
2nd qtr.	93.1	88.7	118.0	84.8	78.7	75.6	14.1
3rd qtr.	93.5	89.3	118.7	86.3	77.2	75.0	14.2
4th qtr.	93.4	90.0	121.3	86.2	82.7	75.6	11.6
Oct	95.0	90.0	124.0	87.0	86.0	76.0	13.2
Nov	93.0	90.0	121.0	86.0	83.0	76.0	13.9
Dec	92.0	90.0	119.0	86.0	79.6	75.0	7.8
1982							
1st qtr.	91.9	91.3	119.4	87.1	83.0	73.7	15.0
Jan	91.0	91.0	119.0	86.0	80.0	73.0	11.6
Feb	93.0	91.0	119.0	87.0	84.0	75.0	15.6
March	92.0	92.0	120.0	88.0	85.9	74.0	17.8
April							18.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
1981							
4th qtr.	132.4	126.4	+482	+1,357	+698	99.8	23.35
Feb	118.9	107.8	+334	+767	+230	105.1	28.43
March	122.3	102.9					28.21
April	127.1	104.7					28.07
Sept.	129.8	129.2	+ 58	+271	+291	99.6	23.70
Oct	135.5	122.2	+396	+688	+ 74	98.9	23.32
Nov	129.7	136.3	−229	+ 63	+205	100.1	23.46
Dec	130.0	120.6	+315	+606	+419	100.4	23.35
1982							
1st qtr	125.4	123.1	+224	+553	+652	101.0	18.97
Jan	118.9	123.4	−152	− 42	+168	101.2	23.23
Feb	124.8	120.6	+154	+264	+270	100.6	23.37
March	132.6	125.2	+222	+331	+214	101.2	18.97
April							18.16
May							17.82

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank-advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,945	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,984	12
3rd qtr	8.1	18.1	29.7	+5,938	868	2,057	—
4th qtr				+2,364	422	2,081	—
Aug	− 0.8	14.5	35.4	+1,240	244	675	—
Sept	9.7	22.8	34.3	+2,458	334	712	—
Oct	− 4.7	20.2	24.0	+1,425	154	690	—
Nov	7.6	17.3	20.4	+ 460	65	684	—
Dec				+ 479	203	707	—
1982							
1st qtr.				+3,132	967	2,157	
Jan				+ 856	356	665	
Feb				+1,103	347	698	
March				+1,173	264	794	
April				+1,599	437	728	
May					478		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

1981	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.82	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.0	234.3	311.6	297.7	242.40	91.1
Jan	214.1	235.9	232.9	310.6	296.1	252.94	91.1
Feb	217.0	239.9	234.4	310.7	297.2	241.77	91.5
March	219.7	235.0	235.5	313.4	299.8	242.40	90.8
April	219.7	238.5	237.1	319.7	302.6	246.84	90.0
May		236.9	238.3			237.39	89.9

* Not seasonally adjusted.

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BL Metro plant efficiency causes short-time work

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

RISING PRODUCTIVITY is forcing BL Cars to put workers on short-time at Longbridge, Birmingham, where the Metro is assembled.

Improved efficiency throughout the plant had created a surplus of about 750 workers who would go on short-time until the introduction of a new engine at Longbridge in the autumn, the company said yesterday.

BL added that, besides the short-time working, plans announced recently, to shed 1,500 jobs, were going ahead. About 1,000 employees had already gone. The number of volunteers to leave had diminished but workers were still leaving at the rate of 50 to 70 a week.

The final 500 redundancies will reduce the Longbridge workforce to 9,500—less than half the 19,400 of 1977. In that year, Longbridge produced 185,000 cars. More than 250,000 are planned for this year.

Output of the Metro model was trimmed in April from 4,250 a week to 4,150. But production of the Mini, at 1,300 vehicles a week, is 30 per cent up on last year.

Shop stewards at Longbridge, concerned at dependence on just two models, have been pressing for more work to be brought to the factory. BL is assessing the position.

The most likely move would be to switch production of the Ital from Cowley, Oxford, where the Rover, Triumph Acclaim, and Austin Ambassador are assembled. Cowley will start production this autumn of BL's LC10, a five-door hatchback to be launched in February.

Introduction of the Ital to Longbridge, however, would not create new jobs. The local management believes there is sufficient flexibility to accommodate such production without increasing the labour force.

The pool of 750 workers to be put on short time will be absorbed when production starts in the autumn of the new R-series engine which will be used in the LC10.

The R-series is a radical development of the E-series engine phased out at Longbridge this year, which powered the Maxi and Allegro models.

Basing the new engine on the E-series offered a low-cost way for BL to take advantage of fairly modern production facilities at Longbridge.

The new engine, which will be linked to a gearbox imported from Volkswagen, is expected to yield dramatic fuel economies.

Negotiations have opened with shop stewards on the extent of short-time working. Local union leaders, although prepared to accept short-time, are vigorously opposed to compulsory redundancies.

Real fall in advertising expenditure

By David Churchill, Consumer Affairs Correspondent

ADVERTISING expenditure in the UK last year rose by more than 10 per cent in value to £2.8bn, according to statistics published yesterday by the Advertising Association.

However, after allowing for inflation in media rates, the association says advertising expenditure fell in real terms by some 6 per cent.

Display advertising was down by some 4 per cent in real terms, while consumer advertising by manufacturers fell 7 per cent against 1980 levels.

Using the Retail Price Index as an indicator of inflation, however, gives a lower fall of only 1.5 per cent in advertising expenditure in real terms.

Mr Mike Waterson, the association's director of research, says that the "clear message is that advertising expenditure has broady speaking been relatively little affected by the recession." In particular, he adds, display advertising had a good year.

Figures issued by Media Expenditure Analysis Ltd (MEAL) show that Procter and Gamble was Britain's biggest advertiser last year, spending a total of £24.9m. Mars was second, spending some £20.8m, followed by Cadbury Schweppes with £19.1m.

John Moore examines City criticism of the Gower proposals on self-regulation

Securities council attacks report on investor protection

THE government-commissioned report on investor protection, prepared by Prof Jim Gower, adviser on company law to the Department of Trade, has been criticised by the council for the Securities Industry, the City of London's main self-regulatory body.

The report, commissioned last year after the failure of a number of investment companies, including Norton Warburg, proposed a unified system of regulation to protect investors.

Prof Gower proposed that the advantages of government and self-regulation should be combined. This would replace the piecemeal arrangements whereby licensed dealers and unit trusts were closely, though not necessarily effectively, regulated by statute law and dealings on the stock exchange were closely regulated by non-governmental authorities, while a variety of others, such as commodity dealers, were not regulated from the point of view of investor protection.

The report, published in January, suggested there should be four recognised self-regulatory agencies: the public issues and takeover agency, responsible for monitoring takeovers and issues, the Stock Exchange, responsible for its own members; and agency or association, responsible for over-the-counter markets, dealing off the Stock Exchange, and investment management and advice; and a unit trust agency, responsible for unit trusts and other mutual funds.

These agencies would operate under the framework of a Securities Act and the supervision to the Department of Trade, which would have residual powers to make regulations supplementing those of the agencies.

Prof Gower assumed that the activities of the self-regulatory agencies would be co-ordinated by the Council for the Securities Industry.

He expressed surprise at criticism about the council he had heard in the City. "There are many in the City and elsewhere who regard it (the council) as the fifth wheel on the coach with little prospect of ever becoming more useful."

Approach 'not practical'

Under his scheme, the role of the council would "be rather different from its present, possibly over-ambitious one," he said.

Yesterday, the council launched a broadside at the Gower proposals.

"There are serious objections to the scheme which Prof Gower puts forward," said the council.

"His philosophy is that self regulation should be compulsory through the securities industry and be overlaid by statute and government supervision. The council does not consider that this approach is practicable or desirable."

The council argues that self regulation involves flexibility and inventiveness on the part of practitioners in areas where clear, detailed rules cannot be laid down.

The gradual movement of specific requirements from self regulation "does not require the supervision of self regulatory agencies" proposed in Prof. Gower's discussion document.

The council adds that it "has not been influenced in any way by consideration of the possible effect of the proposed regime on its own position."

But the council notes that Prof Gower's report proposes that it should be the co-ordinator of the activities of the four self-regulator agencies.

"This would mean that the council could no longer issue codes and rules spanning a number of self-regulatory bodies. It is not clear which authority would deal with such matters. As a co-ordinator, the council would be in a weak position, having regard to the powers to be vested in the Trade Department."

The council believes that an appeals procedure on admission to or dismissals from the self-regulatory agency, as proposed by Prof Gower, "would weaken the authority of the self-regulatory body and probably lower the standard of membership."

The capability of a self-regulatory body to develop codes and rules which were accepted for observance by all, because they were agreed by a majority, would be materially eroded by the process of reference, consultation "and lobbying with government that would inevitably ensue."

The level, quality and scale of effort put into self regulation "would be eroded if conclusions reached were subject to blockage or reverse by government," says the council.

The council concludes that a scheme of government supervision of self-regulatory bodies of the type proposed by Prof Gower would deprive them of their principal virtues.

Isolated instances of fraud and dishonesty

They would become far less flexible and would suffer a serious loss of authority which would make them less energetic and innovative and less able to maintain the spirit rather than the letter of any rules.

The present arrangements have operated reasonably satisfactorily, it says. True, there had been "isolated" instances of fraud and dishonesty, but there had been no major failure in self regulation such as had led to state intervention in other countries.

"On the contrary, the weakness has been primarily in the administration of matters within the field of government."

The council advances its own blueprint for improved regulation of the investment community. It favours a revision of the Prevention of Fraud (Investments) Act, which Prof Gower said should be replaced by a Securities Act.

The council says anyone dealing in securities, investment management and possible investment advice would have to be authorised by the Trade Department which would have greater discretion.

There would be power to recognise self-regulatory bodies, membership of which would obviate the need for an individual authority from the Department of Trade.

The Government would prescribe minimum standards for the self-regulatory bodies which they would have to observe to gain recognition.

The council concludes that the greatest weakness in the present regulatory system is the failure "to deal effectively with commercial and financial fraud.

The council suggests "that an investigation into the conduct of complicated fraud cases is called for. Procedures at the Department of Trade, the office of the Director of Public Prosecutions, the police and the courts need to be examined by an inquiry charged with ensuring that suspected miscreants are speedily dealt with. This would include consideration of the question whether trial by jury is now the appropriate way of trying complicated fraud cases."

Midland offers new Access cash facility

By Paul Taylor

THE 1.5m Midland Bank Access credit card holders will in future be able to use their cards to draw up to £100 a week in cash from the bank's 400 autobank machines.

Midland is the first of the Access scheme partners to offer its customers this facility although Access's rival—Barclaycard—already offers cash dispensing facilities to its 6m customers through Barclays Bank's cash machines.

Midland's Access customers will be given a new personal identification number for using the facility. By the end of 1983 the bank plans to have 700 autobank machines in operation. Its present network of machines dispenses more than £22m a month to current account customers.

In a separate move yesterday, National Westminster Bank became the last of the "Big Four" High Street banks to reduce charges to its credit card customers.

The bank is cutting the monthly interest rate charged to its own 2.2m Access card holders by a quarter of a percentage point to 2 per cent from June 25.

The move brings National Westminster, the bank which has issued more Access cards than any other bank in the scheme, into line with the reduction in Access and Barclaycard rates announced by the other major banks last week in the aftermath of the cut in base rate.

● The TSB banking group is spending £6m installing 400 automated cash dispensing machines throughout its branches in England and Wales.

Top executives' pay gains on Continentals'

By Michael Dixon

British chief executives' salaries have gained ground on those of their counterparts in other European countries over the past three years, according to the latest survey of pay and benefits by international management consultants Towers, Perrin, Forster and Crosby.

By the UK top managers fell further behind their counterparts in the U.S., Canada, Mexico and Venezuela.

Indices to show changes over the three-year period — calculated on exchange rates in October 1978 and January 1982 — are as follows. (The UK salary represented by 100 was £27,000 in 1979 and £42,00 this year).

	1979	1982
UK	100	100
Belgium	200	155
Brazil	170	125
Canada	115	130
France	170	140
Italy	130	110
Mexico	95	170
Netherlands	20	140
Spain	145	110
Sweden	155	125
U.S.	145	155
Venezuela	155	175
West Germany	215	155
Australia*	—	85
Hong Kong*	—	90
Japan*	—	145
Saudia Arabia*	—	215
Singapore*	—	85
Switzerland*	—	185

* Not covered by 1979 survey

Inflation rate of 7.5% forecast by Christmas

BY JAMES McDONALD

THE RATE of decrease in inflation is accelerating and an annual inflation rate of no more than 7.5 per cent by Christmas is forecast in the latest regional cost of living report by Reward Regional Surveys, published today.

The survey—carried out in May in 106 UK towns—shows that the prices index in May was 9 per cent higher than a year ago. This compares with an 11 per cent increase over the year recorded in January, an 11.2 per cent rise over the year eight months ago and an annual rate of increase of 11.5 per cent in May 1981.

Pay rises of 10.5 per cent would be required to maintain living standards at last year's levels. "This figure will, of course, decrease as inflation decreases during the year."

In the regional comparisons of shop and services prices, Northern Ireland remains the most expensive area with prices 4.7 per cent above the average. This figure is influenced significantly by high car insurance and fuel costs.

Scotland is the second most expensive region with prices 1.7 per cent above the average, while the North of England and the Yorkshire-Humberside region are the cheapest areas, 2.7 per cent and 2.1 per cent respectively below the average.

House prices overall in May showed a 3.5 per cent increase from a year before. But about two-thirds of this rise has occurred since January, showing "a definite but slow upturn in the market."

House prices in Yorkshire-Humberside rose over the year by 7.5 per cent, but are still among the lowest in Britain.

The national average price in May for a three-bedroomed semi-detached house was £26,350, whereas in the East Midlands it was £20,125, in Northern Ireland £20,350, in Yorkshire-Humberside £21,300 and in the South-East £33,775.

The full cost of living, including housing costs, was highest in three areas in Greater London—Ealing, Stanmore and Kingston. In Ealing and Stanmore, living costs for a family of four in a three-bedroomed detached house were 23 per cent higher than the national average and in Kingston 19 per cent higher.

At the other end of the scale, living costs in Morecambe were 13 per cent below the national average and in Kings Lynn and Lincoln they were 12 per cent lower.

"In money terms, this means that a person earning £12,500 in Morecambe and living at the style we have set would need an extra £5,200 per annum to maintain the same life style in Stanmore." Although an extreme case, the survey says this highlights the problem of persuading staff to move to more expensive areas.

Living costs in Basingstoke and Chatham come closest to the UK average for a family of four in a three-bedroomed detached house.

Regional Surveys, Cost of Living Report, June 1982, Reward Regional Surveys, 1 Mill Street, Stone, Staffs, £30.

BPCC calls off assets deal with Unilever

By David Goodhart, Labour Staff

THE CONDITIONAL agreement for the British Printing and Communications Corporation to acquire the assets of Austin Packaging, Unilever's carton-making subsidiary on Merseyside, has broken down.

Mr Robert Maxwell, chairman of BPCC, said yesterday that Unilever had not been able to satisfy two conditions in the original agreement. They were the transfer of Austin Packaging's licences and contracts—including the Klik-Lok packaging licence—to BPCC and a commitment from Unilever to provide packaging work for the factory.

The factory closure, announced by Unilever in January, provoked a two-week sit-in last month by the 300 workers at the plant, members of the Society of Graphical and Allied Trades and the National Graphical Association.

A national print strike was threatened over the closure until the personal intervention of Mr Maxwell. One week later the factory closed and all employees took redundancy payments.

The plant, which last year lost £1.8m, has not made a profit since 1975. Unilever says gross over-capacity in the UK packaging industry has resulted in severe price competition.

BPCC said yesterday it would still be possible for Unilever to reverse its decision and satisfy the conditions.

Air Florida offers £55 Liberty Ticket

AIR FLORIDA is to introduce from next Monday a £55 Liberty Ticket for transatlantic passengers, allowing them 30 days of unlimited transportation from Miami to and from any or all of 27 destinations in Florida, the Caribbean, the Bahamas and Central America.

Zurich cuts home insurance premiums

ZURICH Insurance is cutting its premium rates for insuring buildings—the new basic rate is £1 per £1,000 sum insured (the cost of rebuilding the house) compared with the normal rate of £1.50 per £1,000.

Houses must be of standard construction, built after 1919 and must not be in areas liable to flooding or subsidence.

Hesketh dealers to meet receiver

MORE THAN 40 motorcycle dealers who have been selling the Hesketh V1000 machine are due to meet the receiver today at the company's factory at Daventry, Northants.

The receiver was called in earlier this week after the company which launched the prestige £4,500 motorcycle last year, went £600,000 into the red.

Electricity failure hits East London

A FAULT in the Central Electricity Board's national grid led to extensive power failures in eastern parts of London yesterday morning. About 200,000 consumers in the London Electricity Board's area were affected — mainly in the City, eastern, north eastern and south eastern sectors. There were also failures in Essex.

The breakdown came at 8.40 am and caused chaos on the roads as traffic signals failed. It was three hours before the LEB was able to switch to alternative power supplies.

New nuclear power station commitment

THE GOVERNMENT'S commitment to the development of nuclear energy, and in particular the construction of the proposed pressurised water reactor at Sizewell, Suffolk, was emphasised yesterday by Mr John Moore, Parliamentary Under-Secretary for Energy.

Upward trend on Merseyside

A SLIGHT upward trend in investment on plant and equipment for Merseyside companies is suggested in the latest quarterly economic survey by the local chamber of commerce and industry.

Ancient monuments agency to be set up

MR Michael Heseltine, the Environment Secretary, yesterday said he intended to set up an ancient monuments and historic buildings agency in England.

The agency, to be established when parliamentary time is available, will combine the Ancient Monuments Board for England, the Historic Buildings Council for England and the relevant responsibilities of the Department of the Environment.

National Bus makes £5.45m profit

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE National Bus Company said yesterday that National Express and National Holidays —its two activities for which the Government is seeking private sector capital—made a contribution in working profit to the overall company of £4.5m last year.

National Bus, which controls 35 regional and local bus and coach services, made an operating profit of £25.3m in 1981 against £5.8m in 1980. After interest payments of £19.8m (1980—£17.1m), the profit before tax last year was £5.45m compared with a loss of £11.35m in 1980. Turnover last year was £618.4m against £581.9m in 1980.

The report and accounts for 1981 published yesterday show that much of the improvement had been achieved at the expense of a contraction in mileage of 8 per cent last year, and for the second year in succession a severe reduction in manpower.

Lord Shepherd, chairman of National Bus, says in his report that this is "a very high price to pay for successful financial performance, both for our own staff and our customers," but he paid tribute to the productivity improvements achieved last year.

Stage coach passengers, the core of National Bus business, fell by 8.5 per cent last year. But express coach passengers were up by almost 50 per cent following the Government's relaxation in licensing in 1980 which ushered in the era of free competition in long-distance coach services. Express service revenue was £8m higher than in 1980.

National Bus continues to challenge the Government's proposals, contained in the Transport Bill now before the House of Lords, that it would be possible to separate out the National Express and National Holidays activities and still run the core business in a viable manner. The company maintains that the increase in express service revenue resulted from it being able to respond to deregulation in a flexible manner. This flexibility would be lost by any change in the structure.

Lord Shepherd said yesterday he believed that discussions with officials in the Department of Transport had brought a "greater understanding of the degree of integration of the services and the practical difficulties of hiving off certain activities."

The board's official position is that it "will pay the closest attention (to the contributions made by these activities) when assessing whether any proposals which might emerge for the involvement of private capital would make a positive contribution to the group, and result in better services to the travelling public."

He welcomed the Government's proposals on introducing private capital into National Bus's property portfolio (mainly bus and coach stations) as a way of improving these facilities.

W. Yorkshire transport chiefs criticised

BY NICK GARNETT, NORTHERN CORRESPONDENT

AN INDICTMENT of management inefficiency, and of policy decisions on fares structures, is made in an independent U.S. consultancy report on West Yorkshire's public transport, published yesterday.

The 140-page document, prepared by the transport consultants Booz Allen and Hamilton, points to communication as the main weakness in the area's passenger transport executive (PTE). It says annual savings of £6m to £9m could be made through improvements in efficiency.

They would involve, however, expenditure of at least £5.3m on transport infrastructure and new equipment. The report also appears to question the growth in the amount of money taken from the county by the National Bus Company (NBC) to operate some services in West Yorkshire.

On the basis of the report, county council politicians said the county was clearly paying too much to support NBC operations.

Representatives of Booz, Allen, which was brought in by the council's Labour group at an initial cost of £122,000, said yesterday that they believed some of the report's criticisms applied in varying degrees to other passenger transport executives.

Transport operations in West Yorkshire have a total budget provision of £54m for this year and had an accumulated operating deficit of £11m in the financial year 1980-81.

Mr Robin Ward, the West Yorkshire PTE's director-general, said he accepted many, though not all, of the recommendations and that changes put in hand over the past year were in step with those outlined by Booz, Allen.

The document, produced after two months of research by Booz, Allen, argues that there are some strengths in the PTE —including labour relations and engineering activities, though it says the latter are suffering severely from a lack of investment in infrastructure.

It highlights a lack of information at senior levels in the PTE and an absence of accountability by the NBC and British Rail for the amount of money they require from the county. It criticises the PTE for not setting its auditors on to this problem.

Mr John Gunnell, the council's Labour leader, said the county, which paid £7.8m to NBC last year for direct bus services, was being required to pay £14.1m this year.

Specific areas of inefficiency outlined in the report include an absence of standardised policy within the county's four districts to established passenger loading standards for buses, on the basis of which routes and schedules are based.

Such standardisation could save £2m-£3m annually in five years.

A programme of route rationalisation for the PTE and NBC services could save a similar amount, the report says.

Mr Gunnell said the Labour group accepted the consultant's recommendations and there will be no fares changes before April next year at the earliest.

Lord Grade finally bows out of his old company

By John Moore, City Correspondent

LORD GRADE, regarded as the super-salesman of show-business, has left the entertainments empire he built up. Mr Robert Holmes à Court, the Australian entrepreneur who ousted Lord Grade from the chair of Associated Communications and who has taken over the company, said yesterday that Lord Grade had requested a release from his employment contract.

He has been released from his contract by Associated Communications Corporation and resigned his position as deputy chairman of the subsidiary ITC Entertainments group. His resignation terminates a career which spanned 27 years.

Lord Grade said yesterday: "I am receiving no compensation. I am asking for no compensation. I am getting younger every year and I need a new challenge. I feel 25. I am 75 but God is good to me and reduces my age."

He added: "You can say the Lone Ranger rides again," a reference to one of his less successful film projects.

Lord Grade intends to be involved in the production of feature films and other activities. Mr Holmes à Court said that the company had agreed to his resignation with regret, and hoped to invest in his future productions and to continue an association with him.

Lord Grade said he would be buying the company flat in which he lives. In the take-over bid for Associated, offer documents revealed that he had an option to buy the flat at a cost price of £125,000 and that it had been valued at £405,000 in 1981. Lord Grade said yesterday: "I have an option on the flat and I will be buying it. I have not discussed the price." He said he would be drawing a pension of £46,000 from Associated.

His resignation yesterday brings to an end one of the most extraordinary takeover sagas that the City has seen. Mr Holmes à Court made his bid approach as a row erupted in the City among institutional shareholders and Associated over a planned record compensation of £560,000 by Lord Grade and fellow directors to the group's former managing director, Mr Jack Gill, who left after a boardroom row.

The last-minute intervention by Mr Gerald Ronson's Heron Corporation, and subsequent litigation, forced Mr Holmes à Court to revise his offer from £36m to £60m in an effort to prevent control passing to Mr Ronson's interests.

Once Mr Holmes à Court gained control of Associated, he moved Lord Grade out of the main boardroom in a reshuffle in April. Lord Grade denied yesterday that he was upset at being removed from the boardroom.

"Mr Holmes à Court knew my plans and desires. My special relationship with him means that he will invest in some of my projects."

Lord Grade

Petrol pump prices to rise by 9p in next few days

BY SUE CAMERON

THE MAJOR oil companies—including Shell, Esso, BP Oil and Mobil—are preparing to put up prices of petrol at the pumps by about 9p a gallon in the next few days. The move will take the average price of a gallon of four-star from 169p to 178p.

The prices of other oil products, such as home heating oil and the fuel oil used in factories, are also to go up by an average of 4p to 5p a gallon.

Shell, which leads the UK petrol market with Esso, increased the prices of nearly all its oil products — except petrol — at midnight. Esso announced that its oil product prices—again except for petrol—would rise from the start of business on Friday morning.

But all the major companies made it clear that increases about 5 per cent in pump petrol prices were only a matter of days away. The main reason for the increases is the oil companies' need to return their loss-making refining businesses to profit.

The immediate trigger of the latest round of price rises was Shell's decision yesterday to accept the British National Oil Corporation's proposal to increase the price of North Sea marker crude by $2.50 a barrel to $33.50. Shell said it accepted the crude price rise "reluctantly."

But Shell and British Petroleum were the only major companies whose acceptance of BNOC's proposed price rise was outstanding. Last night, it was thought that BP was on the verge of agreement to the crude price increase, which means it should now be implemented—back-dated to June 1.

The $2.50 price increase for crude means the oil companies will need to put up the prices of all their refined products—including petrol—by 4p a gallon to recoup their costs. But the majors have been losing money heavily on their refining operations, largely because of the global surplus of oil and the consequent price war at the pumps which has been raging for months in the UK. Petrol represents some 30 per cent of most oil companies' total refining business.

Mobil said last night that, in the first three months of this year, it had lost £34m. It added that it saw little prospect of its figures for the second quarter being any better.

It said the main reasons for its gloomy outlook were the $3-a-barrel net drop in crude prices and the weakening of the pound by about 5 per cent against the U.S. dollar in the second quarter.

The forthcoming round of petrol price increases will be the fifth of its kind in two months.

Cheque-cashing network urged by building society

BY ALAN FRIEDMAN

RECIPROCAL cheque-cashing among building societies has been proposed to the Registry of Friendly Societies by Abbey National Building Society in a letter sent in the past few days.

The letter set out "a reasoned argument" for allowing the societies to set up a network of cheque-cashing facilities like that operated by major banks, Mr Clive Thornton, Abbey's chief general manager, said yesterday.

Abbey's move follows last month's announcement that the Co-operative Bank would provide cheque-clearing facilities for Abbey. This was a coup for the society, which plans to offer chequebooks to its 6.5m investors from this autumn.

Mr Thornton said the proposal was made to Mr Michael Bridgeman, chief registrar of friendly societies. It involves setting up a reciprocal cheque-cashing system in which the Co-op Bank or other banks would clear the society's cheques.

Mr Bridgeman said counsel's opinion would be required, to ensure the reciprocity plan did not violate the Building Societies Act, 1962.

He said he advised Abbey either, to establish that its cheque-cashing proposal was within the powers of the building societies or to see whether the proposal might be modified to fit the 1962 law.

If the Abbey-Co-op arrangement is successful other building societies are expected to introduce cheque-book services. Mr Thornton feels a network of cheque-cashing societies would be cheaper for societies than opening more branches.

Co-op Bank said yesterday it was approached by six other building societies interested to use its cheque-clearing facilities. Co-op indicated it expected to provide facilities to other building societies. The terms of the Abbey-Co-op arrangement, however, call for an exclusive agreement until July 1983.

Michael Cassell writes: Abbey's approach to the registrar comes when several big societies are examining ways to respond to the Abbey-Co-op tie-up.

Halifax, the largest society, is studying ways to expand a cheque-clearing system with Barclays—a facility which has existed but been used sparingly, since the early part of this century.

Some societies are interested to establish similar arrangements with banking partners. They might be interested in participating in a wider operation embracing several of their competitors. Many, however, remain dubious about the benefits of pushing further into the money-transmission business.

There are doubts about how much more business the societies could generate this way and about the cost of providing such a significant extension to their services.

There are also longstanding fears that continuing penetration of banking territory could provoke the long-threatened examination of what their competitors see as unfair competitive advantages.

BL applies pressure on trade group

By Kenneth Gooding, Motor Industry Correspondent

RUMOURS that BL is threatening to leave the Society of Motor Manufacturers and Traders were denied yesterday but it became obvious that relationships between the two are tense.

BL apparently believes that the society devotes too much time and is influenced too heavily by the companies which import vehicles to the UK.

"BL is currently in discussion with the society about ways of bringing about a more meaningful representation for UK indigenous manufacturers," the company said.

At the society it was stated: "There have been a number of meetings with BL about how the society should represent its membership."

At the last count there were 34 vehicle importers represented by the society compared with 18 with manufacturing or assembly facilities in Britain. BL has been searching for ways of promoting British interests more effectively.

The society has always had a mixture of manufacturers and importers of both vehicles and automotive components and various other interests.

If BL decided to quit it would be the first time any vehicle manufacturer or importer left of its own volition.

Subscriptions to the society are paid in January and are on a sliding scale, based on UK turnover. BL is a substantial contributor.

The society, however, has reserves of £1m and would not be financially embarrassed if BL pulled out.

In round figures, the society has 1,500 members including 230 attached to the importers' section. Of these, 680 are component makers, 28 are finance houses, and 250 are dealer organisations.

CBI plans trade drive in South America

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

TRADE missions to South American countries are to be planned by the Confederation of British Industry in the coming months to try to build up British exports in the wake of the Falklands crisis.

Emphasising that Argentina would not be visited, Mr Kenneth Edwards, a deputy director general of the CBI, said yesterday: "As soon as the way is clear, we want to start to do a marketing job."

There was a need to take a "hard look" at whether Britain's marketing in the area was good enough. Missions would be planned and a conference would be held at the CBI's London headquarters.

But the exercise would be without direct Government involvement. CBI leaders clearly feel that their initiatives would not be helped by the close Government links. As one senior CBI official put it: "We should use the tradesmen's door and keep it separate."

A letter to congratulate the Prime Minister was sent yesterday by Sir Campbell Fraser, the CBI president. The CBI, he said, would be "playing its part to re-establish relationships as quickly as possible."

Employers concerned over 'wasteful' public spending

BY OUR INDUSTRIAL EDITOR

A CALL to the Government to "stick to its guns" in the health service pay dispute and to cut back on current spending in the public sector was issued last night by the Confederation of British Industry.

The CBI expressed special concern that an additional £11bn had been allocated by the Government on spending over the past two years. Too much was going on "wasteful current spending."

"We would not want to do or say anything to jar the mood of national unity and pride at this moment, but the bills do keep coming in," said Sir Campbell Fraser, president of the CBI. Following the Falklands crisis "substantial financial costs" would have to be met, putting fresh pressure on public spending in future years.

A paper presented to a meeting of the CBI council yesterday showed that Government spending this year was likely to be more than £11bn higher than planned two years ago and £4.5bn higher than planned.

"Central government has done a reasonable job in getting to grips with its expenditure but the same could not be said about local government and the National Health Service," said Sir Campbell.

On pay, Sir Campbell said: "We think the Government should stick to its guns in the National Health Service."

Manpower in the health service appeared to have expanded faster than planned. The number of support staff had increased from 369,000 in 1980-81 to an estimated 377,000 this year.

The Government had not made sufficient progress towards the 10.3 per cent cut in public service manpower by 1984-85 proposed last year by the CBI.

Whitelaw sets out guide for police liaison

By Lisa Wood

GUIDELINES for setting up consultative machinery between the police and local communities were announced by the Home Secretary yesterday.

Devised in the wake of Lord Scarman's report into the Brixton riots, the guidelines were drawn up after discussions with the police authorities and local authorities but fall short of Lord Scarman's recommendation for a statutory framework for consultation. However, it is understood the Government is still considering such action.

A Home Office circular, announced by Mr William Whitelaw in the Commons, has been sent to police authorities and chief constables throughout England and to London's 14 borough councils who, it is hoped will lead the setting up of the local consultative committees.

One of the most controversial issues — whether local police commanders should discuss operational policies with local committees — is glossed over.

The circular says that "the deployment of police officers, the method and timing of police operations and the stage at which these may be discussed are matters for the commissioner and his officers.

"Lord Scarman recognised that there are some operational aspects of policing such as criminal investigations and security matters which it would be wrong to make the subject of local consultation."

The guidelines stress the importance of beat officers.

Lambeth's local consultative committee, chaired by Father Charles Walker and set up after the riots, has applied to the Home Office for £28,000 and has premises provided by the local authority.

Leeds Permanent opts for travellers' cheques

BY ANDREW TAYLOR

LEEDS PERMANENT, the country's fourth-largest building society, is to provide a travellers' cheque service, for its 2m investors.

The scheme, due to commence on June 21, has been arranged through Travellers Cheque Associates, formed at the end of last year by American Express and Lloyds Bank.

The service will provide only sterling travellers' cheques. Mr Peter Hemingway, chief general manager of Leeds Permanent, said the amount of commission paid to Travellers Cheque Associates would depend on the volume of business achieved. There would be no charge to Leeds investors.

Building societies, in the face of mounting competition from the clearing banks, have been widening the financial services offered to society investors. Leeds is the largest society to offer travellers' cheques. Mr Hemingway said he hoped the move would attract more business.

He was also concerned that pressure from the Office of Fair Trading could reduce substantially commissions earned by societies through placing business with insurance companies.

The Halifax Building Society, following lengthy negotiations with the OFT, has agreed that it will no longer insist on Halifax borrowers taking out insurance through the society. Sir Gordon Borrie, OFT director general, will be writing to a number of other building societies.

Mr Hemingway said the move could result in a considerable loss of income to societies. If this were to happen mortgages may cost more.

He also criticised the Alliance Building Society's index-linked granny bonds. He felt such bonds were "not building society business. They are not achieving the objects of a building society, which is raising funds and lending on mortgages to help people to buy homes."

Hazel Duffy looks at the joint report on a fixed link between Britain and France

Channel study recommends twin 7-metre tunnel

A TWIN seven-metre diameter tunnel bored into the sea bed is the most economically and technically viable type of fixed Channel link for the near future, says a study by officials of the UK and French Governments, published yesterday.

The study emphasises that it is important to eliminate uncertainty as soon as possible and to decide whether to rely exclusively on shipping services or to complement these with a bored tunnel which could be operating by the next decade.

Detailed studies would need to start immediately and be carried out quickly so that construction could begin in 1984 and be completed in 1991.

The group considers the advantages and disadvantages of other fixed link schemes which have been proposed—bridges, immersed tubes, and combinations of bridge and tunnel. The major advantage of all these schemes is that they would permit an uninterrupted road link as well as a rail tunnel. They could also take all foreseeable traffic and any additional generated traffic.

The drawbacks of all these schemes is that they would require up to three years' further study to test the construction techniques of bridges and possibly composite schemes. For the immersed tube options, studies and experiments on dredging and the hydrological and ecological effects would be necessary, and for bridges, immersed tubes and the composite options, safety provisions for shipping would have to be drawn up and approved by international organisations.

The study group says it "cannot advise ministers that they should rule out deferring a decision pending further study of drive-through schemes," but it believes that the temporary uncertainty could be damaging and that the necessary adjustments to shipping operations, ports and terminals and to the environment once such a link came into operation could be unacceptable from social and other points of view.

The group also studied the six metre rail-only tunnel proposal by the British and French railways. It says the viability of such a tunnel, catering only for rail traffic, would depend heavily on the accuracy of forecasts by the railways. It concludes that financial markets would be unwilling to provide capital except on a basis which transferred an unacceptable proportion of risk to the railways.

The study, set up after the first official meeting between Mrs Thatcher and President Mitterrand last September, does not examine in detail the attractions of any of the proposed fixed links to the financial markets.

This will prove critical in future considerations of any link since the UK Government has said the British section would have to be financed privately. The report recommends a phased development of twin seven metre tunnels, in the belief that financial institutions are likely to want to see the first tunnel successfully built and with profitable tarffic before putting additional capital at risk.

The assessments of internal rates of return on the various schemes have been made on the basis of three scenarios:

- Fixed links are built;
- No fixed links are built and existing modes of transport stay the same;
- Existing modes of transport are improved or increased.

The report says its results cannot be described as conclusive.

For the double 7-metre tunnel with vehicle shuttle, the return generally exceeds the rate of return normally required for public sector investments in both countries. The return could be lower, though it remains positive, says the report. On the other hand, it could be considerably higher and judgment must be exercised within these brackets.

Fixed Channel Link Report of UK-French Study Group; Cmnd. 8561; £6.40.

RESOURCE COST COMPARISON: INTERNAL RATE OF RETURN OF FIXED LINK %

	Single 6m	Single 7m no shuttle	Single 7m* with shuttle	Double 7m	Road bridge	Road bridge and rail tunnel	Composite scheme
Scenario A							
UK time values	9.1	8.5	6.1	12.3	13.9	12.0	10.2
French time values	10.7	10.0	7.0	13.4	15.0	13.2	11.2
Scenario B							
UK time values	5.4	5.0	4.0	7.3	8.4	7.1	5.3
French time values	6.8	6.2	5.1	8.1	9.1	8.0	6.1
Scenario C							
UK time values	1.6	1.2	1.0	2.4	0.3	0.0	0.0
French time values	2.5	2.0	1.7	3.0	0.7	0.6	0.0

* The calculation for the single 7m tunnel with vehicle shuttle assumes eventual development as a double tunnel. Portal infrastructure costs are taken to be broadly the same as for a double tunnel. Portal infrastructure for a single tunnel could be provided for about half this sum, an adjustment which would have the effect of increasing the rate of return by about 1%.

Private sector co-operation sought on urban renewal

BY ROBIN PAULEY

THE PRIVATE SECTOR was yesterday urged to work with the public sector on a wide range of initiatives to reverse inner city decline.

Mr Michael Heseltine, Environment Secretary, told the American Chamber of Commerce (United Kingdom), that he had copied with great precision a U.S. scheme for linking public and private sector funds in inner city development projects.

Neither the public nor the private sector could be expected to grapple alone with the social, economic and industrial problems of the inner cities. But together progress could be achieved, and the Government had allocated £70m for 1983-84 to be bid for by local government, in conjunction with the private sector. The approach is based on the U.S. Urban Development Action Grants scheme.

Railwaymen agree talks to avert all-out strike

B Brian Groom, Labour Staff

THE National Union of Railwaymen last night authorised talks aimed to avert the national rail strike it has threatened to begin on June 28.

The union's executive called for British Rail and its unions to hold a negotiating meeting of the Railway Staffs National Council today, following a meeting of the Rail Council, the industry's highest consultative forum.

Last week the executive barred Mr Sid Weighell, general secretarly, from attending such a meeting. BR sources suggested last night the meeting was more likely to occur tomorrow rather than today. It remains to be seen whether the drivers' union, Aslef agrees.

Yesterday Sir Peter Parker, BR chairman, delivered a stark warning in a letter to BR's 225,000 employees.

He said more industrial action would lead to "no pay increase, no job to come back to for many of you, no prospect of investment in electrification."

Publicly the board is sticking firmly to its 5 per cent pay offer from September. This will be withdrawn if agreement on six productivity items is not reached by July 30.

BR sources suggest more money could be available ultimately if progress is made on productivity. There seems a possibility government money for part of the electrification plans could be available if this is achieved.

Some board-members hope agreement on productivity can be reached with the NUR, isolating Aslef. If it then comes to a battle with Aslef on flexible rostering the network could be shut down rather than face a repetition of the winter's one-day strikes.

There are hopes of reaching agreement with the NUR on the Bedford-St Pancras line, where the union is holding out against removal of guards from new trains. A possible compromise could preserve about 30 of 60 existing jobs.

The NUR would also have to agree to removing guards from freight-trains. BR wants 2,000 of these to go in four to five years.

Mr. Ray Buckton, Aslef general secretary, last night described Sir Peter Parker's letter as "a crude attempt at blackmail" which would only harm attempts to find a solution to the industry's problems.

Philip Bassett looks at Nalgo in the third article on the health dispute

Neutral union in political dilemma

FEW UNIONS taking strike action directly against this Government are likely to see at their conference a delegate who is a self-proclaimed Conservative, arguing strongly for an extension of the strike.

But this happened at a debate on the National Health Service dispute at the annual conference of the National and Local Government Officers' Association (Nalgo) this week illustrating starkly the contradiction at the heart of the union.

The nature of the employers of Nalgo members local councils, nationalised industries and the health service—places virtually all Nalgo industrial action in a political context; yet many of its members are either apolitical or openly Conservative.

The Conservative Trade Unionists' group is active enough in the union to have a special Nalgo sub-group. The CTU group argues that Nalgo opposition to the Government's Employment Bill features "all the usual political elaptrap which leaves most of our members cold."

The CTU delights in Nalgo's 8-1 rejection by ballot this year of affiliation to the Labour Party, though oddly for a party political group, it sees this as a decisive rejection by the union of party politics.

At the other end of the political spectrum, the Communist Party, the Socialist Workers' Party and Labour's Militant Tendency, are all active in the union. A Militant document, circulating at the conference this week, acknowledges the Labour affiliation vote is a "temporary setback," but argues that the current economic decline will secure affiliation in a much shorter time than the 20 years' balloting it took to take Nalgo into the TUC.

Even so, in general, the union is politically neutral, and this is reflected in its industrial attitude. Nalgo is traditionally reluctant to take industrial action. Its health service members earlier this week refused even to discuss a resolution calling for an intensification of the present dispute which went beyond the TUC's programme. Indeed, many delegates agonised considerably over approving a motion which actually only just went as far as the TUC's plan.

As well as its politics, this caution is rooted in experience. *While industrial action in 1980* by council computer staff was successful, its protracted social workers' strike the previous year was a disaster, losing the union £2.5m in strike pay. This directly resulted in a cut in the level of strike pay to £20, though exceptionally, its health service strikers are being paid at the rate of 55 per cent of normal pay.

Nalgo's finances have now recovered after the social workers' debacle. Its general fund revenue account now stands at £2,775,264 — a considerable turnround on the £448,082 deficit it showed in 1980, after the strike.

Nalgo leader Geoffrey Drain —top salary

This has been achieved by three sharp increases in subscriptions. Subscription income has more than doubled in two years, and last year showed a 50 per cent rise from £14.7m to £22.1m.

Strike pay last year was £591,000, but with a larger transfer of £1.3m from the general fund — 6 per cent of gross subscription income—and an increase in investment income the strike fund now stands at £3,578,463.

Unusually, Nalgo's 1,225 branches retain a considerable amount of money — £5,487,849 last year — but Nalgo officials believe this system may give branches too much autonomy and may have to be re-examined.

The union has invested heavily in property rather than shares. Its London skyscraper headquarters is valued at £3.9m, and it owns a holiday centre which made a loss last year of £57,485, and an hotel in Largs, Ayrshire, which also made a trading loss of £24,066. In contrast, its investments stand at only £1.9m.

This gradually recovering financial position sits oddly with Nalgo's spectacular membership growth. With more than 800,000 members, Nalgo is the largest white-collar union in the world, and its officials believe that it is poised to take over from the General and Municipal Workers' Union the position of the third largest TUC union.

Membership has more than doubled since the mid-'60s, reflecting both a growth in the white-collar sector but more particularly in the level of unionisation of that group of workers.

While the union's structure has not kept pace with its growth in membership, the domination of its 69-member elected executive is tempered by the high level of democratic involvement within the union. Annual elections for the executive tend to attract a vote of about 50 per cent, which is high in trade union terms.

Left-wingers in the union are now pushing against an executive decision which rules out of order branches adopting a shop steward structure.

Full-time officials are appointed, and enjoy some of the highest salaries in the trade union movement. Mr Geoffrey Drain, Nalgo general secretary, is generally regarded as having one of the highest union salaries.

His salary is linked to local authority chief officers' pay, and with a 9.2 per cent increase due next month, will rise to nearly £30,000. Jockeying is now beginning in the union for the successor to Mr Drain, who is due to retire in November next year.

One effect of all this is to instil caution in Nalgo's 100,000 health service members —mainly administrative and clerical staff—in the dispute. The union is committed to the strikes, though, and prodded by the National Union of Public Employees, the Nalgo giant is moving slowly towards militancy in the health service. Like much about the union, the movement is cautious — but probably inexorable.

South Wales mines closed for day to back health staff

BY IVO DAWNAY, LABOUR STAFF

THE SOUTH WALES coalfields were shutdown yesterday after 23,000 miners held a 24-hour sympathy strike in support of the National Health Service workers' campaign for a 12 per cent pay rise.

The stoppage, which follows similar action by 40,000 Yorkshire miners last week, was estimated by the National Coal Board to have cost a loss of 32,000 tonnes of coal valued at £750,000.

Delegations from all 33 pits closed by the strike joined about 15,000 demonstrators in a protest march through Cardiff. The march, which was organised by the Welsh TUC, also won the backing of civil servants, busmen and other public service workers.

The National Union of Public Employees, the largest NHS union with 300,000 members, claimed that members of the National Union of Seamen and the Fire Brigades Union also took part in 24-hour strikes, the latter reducing services to emergencies only.

In Brighton, the annual conference of the 700,000-strong National and Local Government Officers' Association, voted unanimously to give full official support to all its members who join the fourth 24-hour NHS stoppage due to take place on Wednesday next week.

More than 2,000 delegates agreed to urge members in local government, gas, electricity, transport, education and police services to join picket lines outside hospitals in protest at the Government's 4 to 6.4 per cent pay offers.

It is the first time in the union's history that all sections of the union have been asked to take action in support of a single group of members.

Mr Geoffrey Drain, Nalgo's general secretary, told the conference: "There are those who are calling for a general strike —the day may come when that is necessary."

Clerical and administrative staff at two Glasgow hospitals are reported to have gone on indefinite strike in support of the pay campaign.

More than 50 Nalgo workers employed in the medical record offices at Gartnavel General Hospital and the Western General Infirmary along with secretarial staff at the Greater Glasgow Health Board stepped up their action after rejecting as inadequate the present series of 24-hour stoppages.

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Strike fear at Midland Bank office

By Our Labour Staff

MIDLAND BANK is being threatened with industrial action by up to 106 staff in its registrars department, whose jobs are at risk.

The bank is to close the Sheffield-based department next year because the service it provides — looking after registers of shareholders on behalf of companies — is uneconomic.

The 106 jobs will disappear, but Midland said it would do its utmost to deal with this by normal wastage and redeployment. It has not ruled out redundancy, however.

A meeting of Banking, Insurance and Finance Union members, who make up the bulk of staff, voted yesterday to consider industrial action if the bank does not give them an assurance of alternative employment.

Tebbit says people ignoring TUC attacks on Bill

BY BRIAN GROOM, LABOUR STAFF

MR NORMAN TEBBIT, Employment Secretary, yesterday stepped up the war of words over his Employment Bill by claiming that the majority of people "have stopped listening to what the TUC have to say."

Meanwhile, the TUC launched a 45-minute video as part of its anti-Tebbit propaganda effort. It includes a recording of a London Weekend Television interview with the Employment Secretary.

The TUC said it was letting Mr Tebbit "speak for himself," betraying his hostile attitude. Mr Tebbit said in the interview that people were being "conned" by the unions, and that their wage increases were won by customers' orders rather than by union negotiators.

He was in a similarly uncompromising mood last night, giving his views on last week's Union Day to the Westminster branch of the British Union of Management.

The nation would benefit immeasurably if half the union time spent writing propaganda on the Employment Bill were *directed towards making trade* unions more democratic and responsive to their members' needs, Mr Tebbit said.

People were fed up with the unions' negative attitude to every proposed industrial relations measure. In fact, most ordinary union members were in favour

Union leaders were creating a "myth" that in amending the definition of a trade dispute, the Government was withdrawing the right to strike in the public sector.

"Purely political strikes are, of course, already unlawful," he said. "What we are proposing *is that strikes which are* primarily political despite the organisers' claim that they are concerned with, say, terms and conditions of employment will also be unlawful.

"This in no way affects the right of public sector workers or any other workers to be in dispute with their employer over such matters as their terms and conditions of employment."

Mr Tebbit said that his Bill in many ways increased the rights of working people. It did nothing to undermine the ability of trade unions to represent their members.

McGahey hits Labour policy over Falklands

By Our Scottish Correspondent

MR MICHAEL McGAHEY, the Scottish miners' leader, yesterday accused Mr Michael Foot of failing the Labour movement by committing the party to the Falklands Task Force.

In his keynote address to the annual conference of the Scottish miners, Mr McGahey also attacked the Government over the Falklands. Labour must now take the leadership, he said, "because Maggie Thatcher's hands are covered with the blood of young British and Argentine boys."

He welcomed the ceasefire. "Not another young boy should die in this senseless war. No more war in the Falklands. Put it in the hands of the United Nations."

He praised the stand of Labour parliamentarians who had spoken out against sending the Task Force including Mr Tony Benn, Mrs Judith Hart, Mr Tam Dayell and Mr George Foulkes. They had stood out against jingoism

Storm likely over miners' union head office

By Our Labour Staff

PLANS TO move the headquarters of the National Union of Mineworkers out of London to be in closer contact with the rank and file could provoke a political storm next month at the union's annual conference.

Kent miners have tabled a motion saying that the union's head office should be moved "to a suitable venue within the coalfield areas as quickly as possible, and certainly before the 1983 conference."

Mr Arthur Scargill, NUM president, yesterday said he had always supported the idea of a headquarters sited in a coalfield. "It's important that the union leadership should be in contact with the rank and file," he added.

The executive of the NUM has already agreed in principle that the office in London's Euston Road should be sold because it is too small. That should raise about £1m.

UK NEWS—PARLIAMENT and POLITICS

Tories warn Howell over juggernauts

By Ivor Owen

MINISTERS received another series of sharp warnings from the Tory back benches in the Commons yesterday of the perils awaiting them if they persist in trying to push through the proposal to permit heavier (but not bigger) juggernauts.

Mr David Howell, Transport Secretary, listend in glum silence as the critics brushed aside the Government's case that heavier lorries would lead to improved efficiency in British industry and, because fewer vehicles will be needed, would benefit the environment as well.

To cheers from a number of back bench colleagues: Mr Anthony Nelson (C Chichester) urged Ministers to think again "before announcing a course of action which in my judgment will be gravely damaging politically to our party and to many of the people whose interests we represent in the House."

Mr Nelson insisted: "There is simply no way you can guarantee heavier lorries will mean fewer lorries."

Mr Howell, who has been working hard to prevent any repetition of last December's revolt by Tory back benchers—11 voted against the Government and other abstained—underlined the efforts which were being made to "civilise the juggernaut."

The heavier lorries favoured by the Government, he explained, would be safer and quieter and stricter enforcement procedures would ensure that they kept to prescribed routes designed to keep them away from villages and high streets.

Mr Howell looked to the Tory back benchers for "full support" for the comprehensive package of measures the Government had in mind.

But, significantly, whereas last month he promised a statement "shortly," he gave no indication of the timing of the long-awaited announcement removing the present 32½ tonne permitted maximum weight for lorries used by British industry.

Mr David Crouch (Con Canterbury), one of the leaders of the back bench rebels, made it clear that his attitude would not change.

"I would find it impossible to support any proposition to increase the weight of juggernauts on our roads," he declared. Mr Crouch explained that while he had a high regard for Mr Howell and his ministerial colleagues he took a different view of the Department of Transport which over the years had let down Ministers and MPs by not keeping promises in regard to road developments.

SDP LEADERSHIP ELECTION

Differences of style and tone divide the candidates

BY PETER RIDDELL, POLITICAL EDITOR

DIFFERENCES of tone and style rather than of substance, appear in the statements sent out to members of the Social Democratic Party by the two candidates for the leadership, Mr Roy Jenkins and Dr David Owen.

Their 750-word statements, have been sent out with ballot papers to the 65,000 party members in an election which lasts until July 2 and could be a close-run contest.

The distictions are subtle, in what are, generally uncontroversial manifestos including all the favoured SDP "code words." Both statements, for example, contain references to the need for a radical approach and stress further changes in a wide variety of social, industrial and constitutional matters.

Mr Jenkins argues that the contest is not between conflicting ideologies. "Differences of view occur within the leadership, but they do not follow any pre-ordained line-up. Still less do they fit a left/right pattern. It was in any event to get away from such sterile misleading labels that many of us broke out of the old politics. The SDP is the most spontaneously united grouping that I have seen in politics. No leadership contest must disrupt that natural and valuable harmony.

Dr Owen argues that it is essential that "we identify what kind of party we are and wish to become. We left our former parties or entered politics for the first time because we share a common belief: the conviction that our country is badly governed and ill-served by the old political parties, the conviction that Britain needs a New Deal. We are resolved to change the system. The Labour Party is disintegrating. We have attracted considerable support from former Conservatives and will continue to do so, but that party is not a spent force. Our task is to be the radical party at home and abroad."

On the same point Mr Jenkins says it is the SDP's intention and desire to win some of both Labour and Conservative seats and votes. "It is the only way in which we can make the alliance the Government of the country. Nor within the alliance is there any question of our fighting only the traditional Labour seats. We have insisted on our fair share of all sorts of seats.

"Nevertheless," Mr Jenkins argues, "it is the Labour Party that we are most likely to drive out of the arena of Government. Our historical role will almost certainly be to take over as the main political force opposed to the Conservatives. We are a radical party and must remain one."

The main difference between the two candidates in the past has been widely thought to be their attitudes towards the alliance with the Liberals, with Dr Owen placing more stress on the SDP's distinctive approach.

Roy Jenkins (left) and David Owen: claims staked for support.

Dr Owen argues that the SDP has "identified and mobilised a new political force. Our principle partnership with the Liberal Party is indispensable electorally, and in major policy questions we are in close agreement. But we should not appear to merge into a single Alliance Party.

"We gain strength and respect as Liberals and Social Democrats from being seen as two parties working together while retaining an appeal to a broader spectrum of the electorate. In doing so, we show, as part of achieving proportional representation, that Social Democrats and Liberals will be natural coalition partners in Government.

Mr Jenkins says: "This is a vital alliance which has mostly worked well on the ground. At its best it is a real partnership of principles. Our separate SDP identity is, however, essential to the whole enterprise. It is our creation which has lit a flame in the country. We can be firmly with the alliance, while proud of our distinct SDP philosophy and membership which many have worked hard to create."

In his conclusion, Dr Owen stresses his long-term commitment to the party, an unstated reference to the gap in years compared with Mr Jenkins. He says: "Win or lose, all my commitment, energy and efforts will be directed to a Social Democrat victory in alliance with the Liberals at the general election."

● Dr Owen is backing an anti-nuclear pressure group formed within the SDP. His support was made clear yesterday in a statement sent to the recently-formed Social Democrats CND and Peace Group.

Dr Owen said he was still not in favour for the Campaign for Nuclear Disarmament's unilateral commitment but he acknowledged that a large area of common agreement existed between the multilateralists and unilateralists.

The SDP CND and Peace Group is to be launched publicly in London on Saturday.

Labour independent decides to join SDP

By Our Political Editor

GEORGE CUNNINGHAM, MP for Islington South has decided to join the Social Democrats after nearly eight months in political limbo. He becomes the party's 30th MP at Westminster.

Mr Cunningham left the Labour Party last November and has since been sitting as a Labour Independent. He said then that he wanted a prolonged period to consider his future and whether to remain an independent.

In a statement yesterday Mr Cunningham pointed out that he had backed the SDP in recent local elections "openly and publicly. I have now decided in the light of local affairs and the national situation that I should join forces with the SDP."

Mr Cunningham said he would fight his constituency at the next general election if his local party wanted him to do so. He is in a strong local position, but there is likely to be complicated manoeuvering since the SDP now has all three Islington MPs (Mr John Grant and Mr Michael O'Halloran are the others).

While the number of seats is due to come down to two when Boundary Commission recommendations are implemented, the SDP in Islington has had a difficult time recently.

Ulster Bill guillotine decision likely today

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

THE CABINET is expected today to agree to guillotine debate on the Committee Stage of the Northern Ireland Bill.

It is coming under pressure to do so from the main body of its own back benchers who have already been forced to sit through three all-night debates on the Bill, were expecting another such performance last night, and cannot face the thought of two more all-night sittings next week.

Particularly galling to the increasingly crumpled, red-eyed Tory back benchers, is the sight of rows of fresh-faced Labour MPs. Since Labour is neitheer supporting nor opposing the Bill its back benchers have had an early night on each day of the Bill's Committee Stage.

The Government is naturally reluctant to cut short a constituional debate. It is also reluctant to give the band of about 20 Tory rebels who are staging a filibuster, precisely what they want. For a guillotine would give them the opportunity to protest loudly and publicly while sparing them the effort of staying up all night and dreaming up further arguments to flesh out their case.

On Tuesday the filibusters appeared determined to stifle the frivolity that characterised earlier debate and to stick as closely as possible to the substance of the Bill.

As the night drew on, however, tempers frayed as members began to return to the Chamber showing signs of having dined well and the earlier cogency of arguments was not maintained.

Much of the afternoon's debate was taken up with attempts by several Ulster Unionists MPs to pin down the Northern Ireland Secretary, Mr James Prior, on his insistance that devolution should have "cross-community support." Did this mean that it should be acceptable to Catholics as well as Protestants, or to nationalists as well as unionists.

The cross-sectarian definition, might be acceptable suggested Mr Peter Robinson (DUP Belfast East) but the political definition would not. Mr James Molyneaux (OUP Antrim South) went further, suggesting that if Mr Prior insisted on the need for the support of republican political parties such as the Social Democratic and Labour Party then it might be better to scrap the whole Bill and concentrate on strengthening local government.

Parliamentary Sketch

Lassitude descends on Commons

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A MOOD of complete lassitude descended on the Commons yesterday in the wake of Mrs Thatcher's resounding "Iron Lady" performance of Tuesday when she announced the ending of hostilities in the Falklands.

It is obviously going to take some time for the Westminster fraternity to adjust to the new state of affairs. Anxious backs were thrown into confusion and were to be seen earnestly discussing how they could face a day without dramatic developments from the war front.

In the Chamber bleary-eyed MPs once again settled down to a marathon session on the Committee Stage of the Northern Ireland Bill, having sat through the night on it until 9.15 am. One of the chief opponents of the Bill, Mr Enoch Powell (OUU Down South) prepared with grim dedication to spend his seventieth birthday slogging through yet another all-night sittng on the legislation.

His colleague Mr James Molyneaux, leader of the Official Ulster Unionists, observed that although the proposed Northern Ireland Assembly would have no real influence or power, that would not prevent its members talking on a wide variety of matters.

Alas, those of us who have followed Northern Ireland affairs over the years could only agree with him. Mundane considerations of practical politics have never silenced Ulstermen in the past and are not likely to do so in the future.

With these wearisome events dragging on there was only one course open to the earnest seeker after truth. That was to head for the House of Lords where the veteran Labour peer Lord Brockway has initiated a debate on this week's special disarmament session at the United Nations.

Lord Brockwey is a gentle idealist of the old school whose pacifism makes even Mr Foot's pacemongering look somewhat tarnished. Clearly he was undeterred by Mrs Thatcher's brusque dismissal of the UN session during her Falklands statement.

"I am 93 years old but I believe I am going to live to see the end of nuclear weapons in the world and the beginnings of world disarmament," the silver-haired Peer declared passionately.

Much of the debate followed a predictable pattern with the majority of the clerics taking a lofty moral stand and calling for an end to the arms race and the proliferation of nuclear weapons.

The Bishop of Winchester, the Rt Rev John Taylor, did not go as far as to call for unilateral nuclear disarmament by Britain and conceded that some deterrence was justified, but he found the arms trade deeply distasteful and urged the Government to take seriously the outcry of the peace movement.

Lord Soper, former president of the Methodist Conference, and a veteran of the nuclear disarmament movement, had no such reservations. He was in favour of unilateral renunciation of nuclear weapons and attached great importance to President Brezhnev's announcement on Tuesday that the Soviet Union would never be the first country to use nuclear weapons.

Then came a surprise diversion with the intervention of the Bishop of Norwich, the Rt Rev Maurice Wood. Although he gave place to nobody in his abhorrence of nuclear war he seemed to think that with the record of Soviet untrustworthiness the West would do well to keep its powder dry. Perhaps his views were coloured by his spell as a chaplain to the Royal Navy and it may not be without significance that the books he has written on Christianity include a work entitled "Like a Mighty Army."

Bishop Wood believed that the past 37 years without a major war between the great powers was largely due to the nuclear deterrent. He was dubious about the possibility of unilateral disarmers existing in the Kremlin and reminded peers that Russian police, earlier this week, detained and interrogated 11 members of the Soviet Union's own fledgling peace movement.

Hopefully, a Labour peer, Lord Jenkins of Putney, suggested that the two bishops should argue it out between themselves and arrive at a compromise.

EEC link aids Welsh investment

By Robin Reeves

AN INCREASE in inward investment into Wales since Britain joined the European Community was reported yesterday by Mr Owen Rees, head of the Welsh Office's Industry Department. He was speaking to the Commons Welsh Affairs Select Committee.

Some 16 manufacturing companies from outside the EEC had established units or decided firmly to establish units in Wales since 1973, Mr Rees said. Of these, 23 companies, responsible for half the 11,000 new jobs being created, indicated spontaneously that EEC access was the principal reason for investment in Wales.

A Welsh Office memorandum, prepared for the committee's latest investigation into the impact of EEC membership on Wales, underlines the growing importance of inward investment to the Welsh economy. "In 1980 nearly 60 per cent of American industrial investment in the EEC came to Britain and this represented over 30 per cent of all such investment worldwide."

Mr Rees conceded that EEC membership could have had detrimental effects for some parts of the United Kingdom. Certainly there had not been a large flow of manufacturing investment from continental EEC member countries into Wales. "The same influences do not appear to be at work," he said.

Increasing child benefit 'a first priority'

BY ROBIN PAULEY

RAISING CHILD benefit, preferably to £8 a week at a cost of £1.2bn, is the first priority for aid to the low paid, the Trades Union Congress told MPs yesterday.

Mr David Basnett and Mr Alan Fisher told the all-party subcommittee of the Commons Treasury and Civil Service Committee inquiring into income tax and income support that other priorities would include job creation, raising tax thresholds and reduced initial tax rate bands.

But child benefit was the first priority and there was enough scope for expansion of the economy for the increased expenditure involved to be acceptable without any corresponding increase in revenues.

The TUC had proposed £8bn of net additional expenditure to stimulate the economy.

Mr Basnett said the TUC was now considering a national minimum wage although there were differences of opinion among union leaders about its practicality.

Mr David Lea, assistant TUC general secretary, said that in the last three years the proportion of income paid in tax by those on half the average earnings had risen from 12 per cent to 19 per cent. Only the very highly paid, earning above £17,000 or £18,000 a year were better off in tax terms.

David Goodhart adds: Every working day three people are killed at work and over 1,000 seriously injured, according to the TUC evidence on health and safety at work presented to the Commons Select Committee on Employment. But, giving evidence to the committee yesterday, TUC representatives mounted a strong defence of the work of the Health and Safety Commission.

Mr Ray Buckton, chairman of the TUC social insurance and industrial welfare committee, said: "The work of the commission has been a fine example of co-operation between employers and unions to the mutual benefit of both."

Labour tends towards another internal war

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

BEHIND THE green iron doors of a converted factory in Hackney, London, the organisers of the Militant Tendency organisation are preparing for a fight which, they say, will "split the Labour Party from top to bottom." If the party's report into their activities, due to be published next week, results in action against them, they will "appeal to every corner of the Labour Party."

Whatever happens, they insist, they will not be driven out of the Labour Party for good. They claim a stronger right to operate within the Labour Party than the Right, who they maintain are the real infiltrators.

"If the Right temporarily succeeds in expelling us," says Ted Grant, the political editor of the Militant newspaper, "we will go to every local party, union branch and co-op to explain what Militant really stands for."

They make clear their tactics will be to try to whip up a storm of protest among the Left-wing-dominated constituency parties which will make last year's struggle for the deputy leadership seem relatively bloodless. They will attempt to do this by presenting any move against Militant as only the first step of a campaign by the Right—a category into which Mr Michael Foot, the party leader, is now dismissively put—to rid the party of all its Left-wing elements.

As a second strand of the fightback, they will mount a new campaign to discredit the Right by linking it with the CIA—an organisation universally detested by Labour activists.

Publication of the report is almost certain to widen the rift between the constituency section of the party and the Parliamentary Labour Party for, as far as many Labour MPs are concerned, the report offers Labour one last chance of redeeming itself with the electorate by getting rid of what they regard as a scourge within its ranks.

Militant is committed to the ideas of Marx, Lenin, Engels and Trotsky. Its stated aims include the abolition of the monarchy, as well as the House of Lords: the nationalisation of the top 200 companies, together with any firms threatening redundancy; and a £16bn increase in public spending. Its overall goal is the overthrow of the capitalist system, and its literature is peppered with references to the "crisis of capitalism."

Labour's deputy leader, Mr Denis Healey, said last night that the party's national executive committee was set to outlaw Militant Tendency, which he described as "a sect of political Moonies." He told a Labour Solidarity meeting in London that the NEC meeting next Wednesday could bring Labour victory at the next general election.

As far as most MPs are concerned, it is a revolutionary organisation, committed to a form of democratic centralism which makes it unsuited to membership of the Labour Party.

Mr Grant and editorial board member Mr Peter Taaffe insist that they are not revolutionaries. They believe in the peaceful transformation of society, and in parliamentary democracy, they say. Their aim is to get the Labour Party committed to Marxist ideas "so as to get Labour elected by an overwhelming majority."

A prerequisite of change, they insist—to the disbelief of many Labour MPs—is a parliamentary majority. They would have no objection to the Tories and Liberals continuing to exist once they obtained power, they say. The only "slight difference" would be that the Press would be controlled by the workers and that space in it would be allocated according to the amount of support for any party at the election.

Militant's roots go back to the Revolutionary Communist Party, formed in 1944 at the bidding of the Fourth International, by amongst others, Ted Grant.

It began to emerge as a real force in the 1970s when it succeeded in taking over the Labour Party's youth section, the Young Socialists. It then began building up support in particular areas, like Liverpool and Bradford, exploiting the rundown state of many inner-city Labour Parties.

Estimates vary of Militant's precise strength, but what is almost more important than its numerical strength is the impression it creates of a Labour Party overrun by intolerant extremists. It denies the Right's claim that it has branches as such, but it acknowledges that it has about 60 full-time employees and an editorial board of half-a-dozen.

Central to its organisation is its weekly newspaper, Militant, which has a print run—on Militant's own press—of 30,000, and sells for 20p. It claims that this year it will raise about £160,000 from selling Militant. It also has a "fighting fund," now said to be about £140,000, and an unspecified amount from "regular supporters."

Judging by the voting figures for the election to Labour's national executive, it controls less than 50 constituencies. But it is a major influence in many more.

At Westminster, MPs inquire anxiously about their colleagues' problems with "Trots" in much the same as they would commiserate with someone suffering from a serious and probably infectious illness.

This concern reached epidemic proportions towards the end of last year when the emergence of the SDP forced Labour MPs to examine what it was that was making them so unpopular with the electorate. At the same time, Militant members started getting selected as official Labour Party candidates.

The specific job of the inquiry, set up by Mr Foot last December, is to establish whether Militant is in breach of the clause in Labour's constitution which prevents any organisation operating a "party within a party," with its own programme, principles and policies for "distinctive and separate propaganda." The inquiry has been carried out by the party's retiring general secretary, Mr Ron Hayward, and the national agent, Mr David Hughes.

It has been deluged with evidence from regional organisers, MPs and groups within the Labour Party. Tape recordings of interviews with disillusioned Militant supporters, together with minute books of secret meetings, and financial statements, have been given to the inquiry team. According to moderates, the evidence proves without doubt that Militant is a subversive organisation, dedicated to infiltrating the Labour Party.

The documents apparently show that Militant has a highly structured, centralised organisation with a central committee and a network of 19 district committees and about 60 branches.

Militant also denies having "members" or a central organisation. All it admits to is a central editorial board which produces the paper.

Mr Foot, however, seems convinced that the evidence will show that Militant is in breach of clause 2 of the party's constitution. He is not prepared to say, in advance of publication of the report, what he is prepared to do about it.

At one end of the scale is the minimalist option, which means putting Militant supporters on trust. Party members should have to agree to a statement of principles which would reaffirm Labour's belief in parliamentary democracy, and reject the Trotskyist concept of democratic centralism.

Another option would be to give all Militant supporters the choice of belonging to Militant or the Labour Party. Under this formula, Militant supporters would not be able to sell openly at Labour Party meetings and those now six Militant members who have been selected as Labour candidates would have to renounce their support for Militant.

A more drastic solution, being urged upon Mr Foot by some of the leaders of the Solidarity Group, is that he should expel all Militant employees and board members.

FINANCIAL TIMES SURVEY

Thursday, June 17 1982

ACCOUNTANCY

While its members cope with the recession, the accountancy profession's representative bodies continue to wrestle with the problems of agreement on standards, inflation accounting and the like. The process is likely to gain fresh impetus through the arrival of a new chairman at the central Accounting Standards Committee.

Aims of the new man in key post

By Barry Riley

SOME SIX months ago Ian Hay Davison, senior partner of Arthur Andersen, was appointed chairman-elect of the UK Accounting Standards Committee (ASC). At the beginning of July he formally takes up this key post in the British accountancy profession, initially for a two-year term.

Until now Mr Davison has been reluctant to talk about his plans to inject new life into the ASC, partly because of the complex framework of accountancy politics in which he is operating and partly out of deference to his predecessor, Tom Watts, of Price Waterhouse.

Mr Watts remains ASC chairman until the end of this month and has himself been identified with controversial proposals to reconstitute the ASC. These plans were published by the ASC last year as the pamphlet Setting Accounting Standards, better known as the Watts Report.

Now, however, Mr Davison is willing to explain his proposals, which have still to be formally approved by the six UK accountancy organisations which make up the ASC's parent body, the Consultative Committee of Accountancy Bodies.

"What I am trying to do is to implement those aspects of the Watts Report that touch upon the constitution, membership and operation of the ASC," says Mr Davison.

But he is not putting forward any plans to implement the more controversial enforcement measures outlined in the Watts Report, measures which were opposed by several of the six parent bodies—though they were approved by the largest of these, the English Institute of Chartered Accountants. The Watts Report had called for the setting up of a special panel to review cases of non-compliance by listed companies—with Stock Exchange co-operation. In fact enforcement will continue, as in the past, to be the responsibility of the six parent bodies.

The most eye-catching of the Davison proposals is the plan to reshape the membership of the ASC quite radically. Not only will the number of seats be cut from 23 to 20; only 15 will be reserved for professional accountants. The other five will be available to representatives of users of accounts—who may not themselves necessarily be qualified accountants.

The present membership structure is a reflection of the balance of power within the profession more than a decade ago when the ASC was first set up. The English Institute dominates with a built-in majority of 12 seats out of 23. The Scottish Institute has three and the other four bodies have two each. But at least one of these, the Association of Certified Accountants, has complained that rising membership in the past decade has left it under-represented on the ASC.

Now there is to be a major change in representation. Each of the six bodies will only be guaranteed one nomination. But the interests of all six will be balanced by their representation on a new nominating committee. This will allow the ASC to move over to what Mr Davison describes as a "best man for the post policy."

It is envisaged that this nominating committee will select 15 qualified accountants, split among those in professional practice—the auditors—and those in industry (including the public sector) who can be described as the preparers of accounts.

Connections

The other five places are intended to be filled by the third major interest group, the users of accounts. Mr Davison aims, for instance, to bring one or two prominent company chairmen on to the committee—probably drawing here upon his connections at the Confederation of British Industry, where he is a council member.

The nominating committee will also be looking for a senior banker to represent one important group of specialist users of accounts. It is expected too that the Council of the Stock Exchange will help in finding a stockbroker to sit on the committee and represent shareholders' interests. Or it may be that the investing institutions like pension funds and insurance companies will be represented directly.

This would complete the membership of 20 but Mr Davison is also anxious that the ASC should benefit from a direct Civil Service input. "The next few years are going to involve close communication with Whitehall," he observes, "but this will not be handing the standard-setting process over to Whitehall."

Although Civil Service members of the ASC would not be appropriate, Mr Davison proposes that two Whitehall men should be admitted to ASC meetings as observers. He envisages that one would come from the Department of Trade and one from the Treasury.

Although these plans are fairly specific, Mr Davison points out that the reconstitution of the membership of the ASC cannot be an overnight achievement. The need to provide for continuity will dictate that the transition to the new structure can only be implemented over an extended time span. "It will be phased in over a three-year period," he says.

In future too a regular turnover of the membership will be aimed at. Until now members have been appointed for an indefinite term — apart from the chairman, who has a two-year tenure, and will continue to do so—and some members have been on the committee ever since it was set up in 1970.

The idea now is that members will be *appointed for three* years, a term which will be renewable only once.

To make it more practical to attract outside members, changes are planned in the way the committee operates. For instance, meetings will be held no more frequently than once a month and will last only half a day. In the past meetings have sometimes been fortnightly and attendance has been patchy. Sometimes, it is said, there has been difficulty in getting a quorum.

In the future members are to be expected to attend regularly but there will be some compensations. For instance, it will no longer be a requirement that members should chair sub-committees and working parties —*though clearly some will continue* to do so. Moreover, to make life easier for people like busy company chairmen they will be allowed to bring personal assistants to hear the ASC's debates. "But we will not permit alternates," insists Mr Davison.

The objective of these changes in the structure of the ASC, according to Mr Davison, is to improve its stature and authority. Although the plans *still have to be approved by the* leaders of the profession, the groundwork has clearly been done very carefully. "We've had a very fair wind," he says.

The opportunity will be taken to correct the anomaly whereby the ASC is financed by its parent bodies in proportion to their numbers of seats. Other CCAB sub-committees are financed by the parent organisation in proportion to their membership and the ASC will now fall into line with this pattern.

But whatever the advantages of the new constitution of the ASC, inevitably much is going to depend upon Mr Davison himself. To make room for the challenge he has given up the managing partner's role at Arthur Andersen but he still believes the ASC chairmanship need be no more than a two-day-a-week job.

Mr Davison will undoubtedly display a markedly different style of ASC chairmanship from that of his predecessor, Mr Tom Watts, who is a technical expert. Mr Watts has spent much of his period of office sorting out thorny technical issues like current cost accounting (CCA) and foreign currency translation and in seeking better harmonisation with the Continental Europeans and the Americans. He has been heavily involved personally in drafting standards.

But as a much more powerful figure within the profession Mr Davison can be expected to revert much more to the style of the first ASC chairman, Sir Ronald Leach, a former senior partner of Peat Marwick Mitchell. The emphasis is likely to be on practical issues rather than on theoretical problems.

Hinting at the early agenda, Mr Davison observes that "we should deal with the issues that are pressing. If that sounds as though the ASC is a reactive body, probably it is." The pressing problems include the resolution of the CCA controversy, and the revision of standards in the light of new companies legislation in areas like mergers, acquisitions and goodwill.

Delegate

Mr Davison can be expected to delegate much of the theoretical side of the standard-setting process. He proposes to form a small planning sub-committee, seeing a need "to get better control over the work programme." No immediate changes are proposed in the secretariat, although he recognises that it is "probably not big enough."

His main role will presumably be in the arena of business politics — in trying to balance the conflicting interests of auditors, account preparers and users.

By bringing all these interest groups on to the ASC he will endeavour to avoid situations in which companies preparing accounts believe that standards are devised mainly in order to give auditors a stick to beat their clients with, or in which users like investment analysts habitually rework the figures for their own purposes, as they do for instance for deferred tax.

In recent years the ASC's reputation has undoubtedly been damaged by problems such as the CCA controversy and the lengthy delays over foreign currency translation. The programme of standards has seemed to slow down — though this may not have been an entirely fair impression. Much work has been going on behind the scenes. Some of this activity is now starting to show through, as with the exposure draft on leasing.

The standard-setting process remains a vital element in the accountancy profession's self-regulatory framework. If the profession appears to be handing over some of the responsibility for standards to non-accountants by broadening the basis of the membership of the ASC, and is even accepting a more formal link with the Civil Service, that does not imply that accountants are ready to accept greater political influence over the way in which accounts are prepared. But the accountancy profession has decided that if it is to win the battle a few tactical concessions may be prudent.

CONTENTS

TOP 20 ACCOUNTANCY FIRMS

Ranking		Partners	Professional staff	Staff/ partner ratio	Total professional staff	Fees† (£m)	Fee/ partner/ratio (£'000)	Ranking by fee/partner ratio
1	Peat Marwick Mitchell	176	2,820	16.02	2,996	57	323.9	2
2	Deloitte Haskins and Sells	234	2,625	11.22	2,859	52.2	223.1	9
3	Coopers and Lybrand	181	2,140	11.82	2,321	51	281.8	4
4	Price Waterhouse	170	2,064	12.14	2,234	50§	294.1	3
5	Ernst and Whinney	201	2,228	11.08	2,429	47	233.8	8
6	Touche Ross	153	2,037	13.31	2,190	43*	281.0	5
7	Arthur Young McClelland Moores	171	1,970	11.52	2,141	40	233.9	7
8	Thornton Baker	213	1,831	8.60	2,044	34	159.6	15
9	Arthur Andersen	90	1,128	12.53	1,218	29.5	327.8	1
10	Thomson McLintock	138	1,407	10.20	1,545	27.8	201.4	10
11	Spicer and Pegler	120	1,050	8.75	1,170	22.5	187.5	11
11	Binder Hamlyn	121	1,008	8.33	1,129	22.5	185.9	12
13	Pannell Kerr Forster	145	925	6.38	1,070	20§	137.9	17
14	Dearden Farrow	82	441	5.38	523	11	134.1	18
15	Neville Russell	66	462	7.0	528	10.75	162.9	14
16	Robson Rhodes	67	536	8.60	603	10§	149.2	16
16	Kidsons	75	523	6.97	598	10	133.3	19
16	Stoy Hayward	37	440	11.89	477	10	270.3	6
19	Hodgson Harris	40	375	9.38	415	7.2	180.0	13
20	Armitage & Norton	43	303	7.04	346	5.6	130.2	20

Notes: † Net of recoverable expenses; * FT Estimate; § Estimate by firm
Moore Stephens declined to participate
Research by Jan Schling, FT Editorial Research Desk

Moves to resolve public audit controversy

PUBLIC expenditure this year will total about £115bn if Government plans are adhered to. Who should control that money and to whom should the spenders of it—central government, health and local authorities, public corporations and nationalised industries—be primarily accountable? This vexed question has been occupying the minds of the Government, MPs, auditors and commentators for years rather than months and there is still little sign of any general consensus.

In one sector at least there has been some definite movement in the last year. Mr Michael Heseltine, Environment Secretary, moved into legislation to fulfil an ambition he has nursed since he was a junior Minister in the early 1970s—the establishment of an Audit Commission to allocate auditors from both the public and private sectors to English and Welsh local authorities. This will remove the traditional right of councils to choose their own auditors.

The idea is enshrined in the Local Government Finance (No 2) Bill which is nearing the end of an exceptionally tortuous passage through Parliament. It has been withdrawn, rewritten, revised and amended almost beyond recognition in many places but the Audit Commission section has survived more or less intact.

But it has not been without controversy, with both the influential all-party Public Accounts Committee and the public and private sector accountants weighing in at various times with strong disapproval about some aspects.

The Commission will have an independent chairman appointed by the Environment Secretary and up to 13 members drawn from local government, accountancy firms and other relevant areas of expertise. Local government will not gain a majority of members although the Government accepts that it will not be possible for the Audit Commission to function properly without the good will of local authorities.

The Commission will allocate auditors from both the Local Government District Audit Service and from an approved list of private sector accountants, the aim being to involve more private sector expertise in public sector auditing. At present only a handful of the more than 400 local authorities voluntarily use private sector auditors for their annual financial and value-for-money audits.

Assurances

However, major reservations about the Commission had to be removed to ensure its Parliamentary passage. First both public and private sector accountancy institutions said the entire concept would be unacceptable if the Commission were to be directly answerable to and under the control of the Environment Secretary, as proposed. Both sides feared an apparent, if not actual, threat to the independence of audit which is the paramount prerequisite of both sides. The Government has fudged this issue consistently but has given enough assurances to satisfy at least the private sector for the time being that the direct line of accountability will be to the Comptroller and Auditor General and not to a politician.

A much more important dispute arose over the adoption of the Audit Commission idea at the expense of the Public Account Committee's desire for a National Audit Office. This idea was put up by the Committee under the chairmanship of Mr Joel Barnett and backed by the equally influential chairman of the Treasury and Civil Service Select Committee, Mr Edward du Cann.

It would make all public expenditure directly accountable to Parliament through the PAC, although nobody has explained how the already seriously overburdened PAC could take on such an enormous extra task. The principle looked simple: Parliament had a right to examine the uses to which every penny of money voted by it was put. That meant direct access to the books and accounts through the Comptroller and Auditor General of all bodies in receipt of public money — central government, local authorities, the NHS, public corporations and nationalised industries.

But there were commercial and constitutional objections. Nationalised industries resisted strongly on the grounds that commercial confidentiality might be breached by public access to and control of accounts. Local authorities argued that their first line of accountability constitutionally is to the electorate and not to Parliament, a powerful argument which found support among such unlikely allies as the Confederation of British Industry.

Promises that the PAC had no intention of ever calling in an individual council's accounts or leaders of one council to "account" for their spending were met by a united wall of blank scepticism and disbelief.

Nevertheless, demands for increased accountability to Parliament persist and have attracted the support of 287 backbenchers who signed an early day motion led by Mr Barnett and Mr du Cann. They also have an amendment to the Local Government Finance (No 2) Bill proposing that the Comptroller and Auditor General should be allowed access to all the books and records of the Audit Commission. Mr Heseltine is "sympathetic," although still looking for a way to prevent an individual council's records from being examined.

There is such a groundswell of support for Mr Barnett and Mr du Cann that the Government is resigned to having to find a compromise to this aspect of the problem. But Ministers are privately aghast; Mr Barnett has already conceded privately that this move is a "first foot in the door" towards the overall aim of making all public money accountable to Parliament. While many Ministers do not feel too strongly about letting the C and AG look at the Audit Commission's books, the next step would be PAC involvement in nationalised industry expenditure and financing which would undermine the principle of direct ministerial responsibility for nationalised industries.

Incompatible

Although both sides have argued consistently that an Audit Commission and a National Audit Office are incompatible the Chartered Institute of Public Finance and Accountancy has said that the two could co-exist and be of mutual advantage if the National Office were to be established between the Commission and the Government.

Mr Noel Hepworth, Director of CIPFA, said the advantages would include:—

- greater public confidence in public audit because the independence of auditors would be ensured by the constitutional division between legislature and executive;
- reductions in audit manpower would not be made to occur because of a general need to cut civil service manpower;
- modern audit techniques could be introduced right across the public sector;
- common planning of use of audit resources would mean better use of audit expertise including a consistent approach to the use of private sector auditors across the whole of the public sector;
- Strengthening of central support services such as data banks and research facilities for auditors would greatly improve their efficiency;
- a better career structure for auditors could be developed which would attract more high-quality entrants. This should also encourage interchange between the national audit office staff and audit staff from the private sector and interchange between national audit staff, the civil service, local government and the health service.

Mr Hepworth's plans have not been accepted so far and Mr Heseltine in particular is set against a National Audit Office.

Mr Heseltine moved in advance of the establishment of the Audit Commission to involve the private sector in public sector accounts. He announced that private accountants would be nominated to each of the water authorities, which would lose their right to choose their auditors.

He also announced last year that 14 local councils representing all sizes and tiers would be forced to take a private audit firm, nominated by him, for their 1981-82 audit. The move incensed most of the councils involved and three—Newham, Derby and Tower Hamlets—have taken out a writ challenging Mr Heseltine's right to behave in this way.

On other fronts there has been continuing progress during the last year towards common standards and principles of audit in the public and private sectors, with much of the old animosity and disdain between the two sides giving way to constructive work on joint committees.

A number of statements of standard accounting practice (SSAPs) have been adopted by local authorities, sometimes in slightly modified form to cope with the different circumstances in the public sector. The Accounting Standards Sub-Committee (ASC) has set up a standing sub-committee on public sector accounting with support from the public sector.

Initially it will have two panels, one reporting on local government and the other on health. One of its first tasks will be to examine proposals to apply the existing accounting standards to health authority accounting. This is a major move away from the ASC's traditional preoccupation with the requirements and priorities of the private sector and marks a new aspect of the coming together of public and private sector attitudes to audit.

There is still a long way to go and many practical and political difficulties remain. But at least the right road appears to have been more or less prepared for a constructive co-existence of the public and private sectors in public sector audit.

Robin Pauley

Fresh challenge to current cost accounting

"INFLATION accounting is so important that if we shirk the responsibility for it, sooner or later others will take it on. No responsible self-regulating profession should contemplate the option of returning to the historical cost basis of reporting alone."

With these forthright words the Council of the Institute of Chartered Accountants in England and Wales has rejected the latest attack upon current cost accounting, as embodied in the accounting standard SSAP 16. The attack comes in the form of a resolution which is to be proposed at a special meeting of the English Institute on July 29.

Two accountants from a small Burgess Hill practice, Mr David Keymer and Mr Martin Haslam, have tabled the resolution which deplores SSAP 16 and calls for its immediate withdrawal.

In taking this controversial step the two accountants are seeking to repeat the success they scored five years ago when they mounted a similar attack on a previous form of current cost accounting, set out in the exposure draft ED 18.

On that occasion the Keymer-Haslam resolution called for the rejection of any compulsory system of current cost accounting. The resolution won a 54 per cent majority of those voting and threw a major spanner into the works of the standard-setting processes.

ED 18 has anyway been running into extensive opposition on the grounds of excessive complexity and of theoretical shortcomings, and although the resolution was not legally binding on the Accounting Standards Committee (ASC) it gave a clear indication that they had failed to carry the profession with them.

The ASC was forced to change its course. First it opted for the simple voluntary interim recommendations which became known as the Hyde Guidelines. Then it entered into another lengthy period of preparation of a new current cost standard, which eventually was published in March 1980 as SSAP 16. Major concessions were made. The standard was much simpler than ED 18. Companies were only required to give current cost supplementary statements and could retain historical cost accounting as the basis of their primary financial statements. The standard only applied to listed companies and a few other large companies and trading entities, so that clients of small firms like those of Keymer Haslam and Co. were not affected.

Finally, it was promised that the standard would run for a period of just three years, during which it would not be changed. At the end of this experimental period a decision would be taken on future developments. A special monitoring sub-committee has been set up by the ASC and this body is now receiving the second batch of annual reports to comply with SSAP 16—the December 31 reports are mostly in but the March reporting companies have mostly still to publish.

Now, however, Messrs Keymer and Haslam are once more seeking to embarrass the profession's leaders and assert the views of the rank-and-file. Although SSAP 16 has little direct relevance to accountants in private practice, there are evidently still fears that its scope will be extended in future.

Seriously

The ASC is taking the new attack very seriously, even though the resolution is aimed at the English Institute, which is only one (though the largest) of the ASC's six parent bodies, and the vote would be in no way binding on the committee.

According to Mr Tom Watts, ASC Chairman, success for the opponents of CCA on July 29 "would very seriously undermine the whole principle of setting standards for the private sector."

But it will be Mr Ian Hay Davison, who takes over the ASC chair on July 1, who will have to cope with the consequences of any upset for the CCA standard. He rejects the notion of any premature changes. "We are in the middle of an experiment," he says. "We should stick to our three-year timetable."

Whatever the result of the vote at the end of next month the ASC will eventually have to face up to some tricky decisions on the future of current cost accounting. Although compliance with the standard by the 5,000-odd companies to which it applies has been quite good — probably about 85 per cent—the rumblings of opposition have persisted.

The big City merchant banks who are members of the Accepting Houses Committee have rejected it almost *en bloc* and P & O and Shell Transport are two of the big companies which have failed to comply fully this year. Attempts by the Stock Exchange last year to require half-yearly current cost information were rebuffed and only voluntary compliance at the interim reporting stage is now being sought.

The irony of the current cost accounting debate is that it was only because of Government intervention that the accountancy profession ever became involved with such a subjective and untried accounting method. The accountants originally preferred a simpler form of general price indexation known as the current purchasing power method, which was issued as a provisional accounting standard in May, 1974.

At that time, however, the Government and Whitehall in general were strongly opposed to any form of general price level accounting, which was seen as opening the way to indexation in other fields. The Sandilands Committee in 1975 recommended current cost accounting, a form of specific price level accounting, which was seen in official circles as setting a much less dangerous precedent.

The accountancy profession agreed to put such a method into practice. But it meant grappling with a multiplicity of different indices and took the profession beyond what were then the frontiers of accounting theory. The problems of subjectivity and the integration of monetary and non-monetary items within financial statements have never been satisfactorily solved.

As the accountants laboured on their task official attitudes were changing. The tax system became largely indexed—a process which has recently become more complete with the partial indexation of caiptal gains tax, using the retail prices index.

Rejected

The Inland Revenue has effectively rejected the use of current cost accounting as the basis for corporation tax assessment. Early in 1971 it declared that SSAP 16 "would introduce an unacceptable degree of subjectivity into the calculation of tax." It opted for a single "all stocks" index in working out new stock relief proposals.

This year's broadly based Green Paper on the future of corporation tax expressed concern about current cost fixed asset valuations and suggested that SSAP 16's attitude to windfall dealing profits was "indefensible."

The outmanoeuvred accountants had discovered that whereas their earlier proposals were criticised for the use of a general index, now their method was unacceptable because the indices being chosen were too specific.

The ASC has also been unfortunate in that the introduction of SSAP 16 has coincided with a collapse in company profits, especially in industry. Companies are scarcely going to thank the accountants for being forced to publish figures which show that profits are even worse than they might look on the traditional historical cost basis. There are also complaints about the cost of producing the figures and having them audited.

At least profits are now on a recovery tack. But the ASC faces some hard decisions, bearing in mind that having come this far down the inflation accounting road it cannot go back. The major challenges probably lie in two areas. First it will have to decide whether to stick with current cost accounting or return to something more akin to the current purchasing power method. Secondly, it will be seeking a way to avoid having, as at present, two sets of accounts.

Ian Hay Davison does not, however, see this as being a technical accounting problem. "It is," he says, "a reporting problem for business, Government and the City."

Barry Riley

ACCOUNTANCY III

Big firms no longer shy about their wares

IT IS not so long ago—maybe six years or so—since every large and medium-sized accounting firm in Britain wanted to boast about the fact that it was "international." The most credible claims for such status appeared to come from what used to be known as the "Big Eight" firms of accountants—Arthur Andersen, Arthur Young, Coopers and Lybrand, Deloitte Haskins and Sells, Ernst and Whinney, Peat Marwick Mitchell, Price Waterhouse and Touche Ross. These great names were gradually joined by a few others, notably KMG and Binder Dijker Otte (BDO). These latter two international firms differed in one important respect from the Big Eight, in that they were based on partnerships of often the largest accounting firms operating from a series of European countries.

Initially, groups such as KMG and BDO were dismissed by senior partners in the Big Eight as nothing more than loose formations of highly individualistic national firms. The implication was that the longer established international groups were in reality one international firm with the same standards of work and ethics in all countries where they happened to have offices.

Today such claims appear far less credible; indeed they are heard far less frequently.

The reason for this appears to lie in the fact that there is now little advantage to the big accounting firms in claiming to be "international." If anything the label itself could have been damaging over the past few years of recession, when the only significant source of new business has been the small firm sector.

Tougher

Times have been much tougher for the big firms in the past three years than for a very long time. For many firms the volume of business has declined—or at best held still. This in turn has raised all sorts of new problems for both staffing and management. Professional staff turnover, normally very high, slowed down considerably and resistance from clients, particularly the corporate sector, to ever-increasing fees rose to exceptional levels.

In retrospect many of the larger firms look back to a somewhat critical report on audit fees published by the Hundred Group of leading accountants in industry/commerce as the turning point. "It sent a shudder through every one of the major firms," a senior partner recently volunteered.

Squeezed on both revenues and costs, the big firms have been forced to compete harder and harder for the available new business. One of the most promising areas has been the public sector, at both central and local government levels.

It was the intense level of competition for this government business, allied to some aggressive promotional campaigns, that led Kenneth Sharp, head of the Government Accountancy Service and a former President of the English Institute of Chartered Accountants, to write recently to 13 of the major firms protesting at the alleged "touting" that was going on. The significance of this affair has almost certainly been exaggerated. After all, the Monopolies Commission has repeatedly called for the accountancy profession to drop restrictions on advertising and promotional activities. In any case, few of the firms involved appear to have been unduly concerned about Mr Sharp's rebuke.

The reality may be that the climate of professional practice has changed considerably since the early seventies when Ken Sharp last worked in professional practice. Today all the large accounting firms seek to promote themselves in a way that would have been unthinkable a decade ago.

This is because many of the partners in the firms have come to realise that the professional firms are businesses like any other. They need to be managed in some way not dissimilar to a company, and most revolutionary of all, they need to be marketed.

Partners in the big firms say it is not so long ago that the general view in the large firms was that it was up to clients to seek out the firm—on the basis of reputation, recommendation, or the old boy network. The process apparently worked for many years but those days are now gone.

Today every significant accounting firm has a practice development partner and an external public relations advisor. Some even admit to having marketing departments bearing titles like "practice development department." Needless to say, this new orientation does not appeal to all members of the profession. Chartered accountants working in the big firms are often heard to complain that the British profession is becoming more and more like its counterpart in the U.S., at least at the big firm end. They argue that this is a dangerous development and now and again there are indications that this line of thinking affects the choice of senior partners.

Another consequence of the increased business orientation within the big firms may well be partner satisfaction, especially among younger and better educated chartered accountants. To become a partner in a big accounting firm used to be seen as a great achievement, the crowning glory of a CA's career. This is less the case today as more and more young partners realise that in reality their position is not much different from that of employees. The ideal of the partnership, where all partners have a say in what goes on, is almost impossible to achieve in the major firms where the number of names on the letter-head can run into a couple of hundred.

Independence

Potentially the most dangerous aspect of the increased commercialism of the big accounting firms is the threat this poses to the practising chartered accountant's greatest asset — his independence. In the cut-and-thrust of professional practice today it is no secret that partners, and audit partners particularly, can become very close to their clients.

A distiguished chartered accountant who re-entered professional practice recently says he is surprised to find how closely many of the partners in his firm identify with the management of their clients.

This tendency towards identification with client management is sometimes revealed by the stance which particular firms or sections of the profession take in relation to the truth and fairness of the accounts of a particular company or even industry. One such example is the banking industry — where some major bank auditors have taken criticisms of their clients' accounts as almost personal attacks on themselves. This aspect is much more clear-cut in a number of Continental European countries, where there have recently been examples of national professional bodies and several large accounting firms arguing that banks should be permitted to maintain secret reserves.

The matter of independence is complex but the view that larger accounting firms are more likely to be independent of clients than smaller firms needs to be qualified. More often than not a partner in a large firm will have his own stable of clients and the loss of one of his larger audits might be just as damaging to such a partner as it might be to a four-partner firm in Burgess Hill.

Michael Lafferty
Editor, FT World Accounting Report; editor and publisher Retail Banker international

Surveys by the profession have revealed a high percentage of firms using computers and other electronic aids. For larger applications machines like the Olivetti BCS 3030 pictured above in use in a practice are popular

Small practices shoulder wider client demands

ACCOUNTANTS in small partnerships can often find that times of recession pose an awkward dilemma. Many of their clients are small businesses with which they have close and long-standing ties, often social as well as professional. When the going gets tough, such clients can look for advice and assistance beyond the scope of their accountant's usual services.

The accountant, like a family doctor beseiged by some minor epidemic, may well feed unable to resist the extra demands on his time—even though in such circumstances the assessment of appropriate charges can often be a delicate problem.

This can be more so since the small partnership member will have his own business problems to worry about. The difficulty of raising normal fees in line with inflation and the rising cost of office overheads can only be exacerbated by a rising tide of additional tasks inspired by the recession.

In many ways, however, the recession has only underlined an existing trend towards a broader role for the external accountant. "Generally speaking, small-firm auditors have tended to be just auditors and little more," says Mr David Allen, a vice-president of the Institute of Cost and Management Accountants. "What is happening increasingly is that auditors, big and small, are being asked to offer advice on pricing and investment analysis and such-like matters. Whether or not they can supply the goods is open to question."

Moreover management accounting advice is only one of a range of specialist demands confronting the small firm. Businessmen reluctant to engage the expensive services of one of the major firms—and hoping for a more personal service—often expect a single partner in a small firm to offer knowledge and experience which would come from several specialist accountants in one of the Big Eight.

Indeed the ability of the small firm to give a limited but all-round service is in many instances its main strength and several of the bigger firms point this out to prospective clients for whom the small firm looks more appropriate.

"If the small firm plays the family doctor role" says Mr Barry Baldwin, head of the special services group at Price Waterhouse, "the Big Eight display more the the mentality of the teaching hospitals."

There is at least one specialist area, though, where accountants in their own small practices can sometimes draw on the experience of their own office to help client businesses: namely computerisation.

Businessmen considering expenditure on computer facilities have plenty of service companies within that industry they can call on for technical advice. But they may look to their local accountant, if he has worked for them over a period of years, for the comfort of a reassuring opinion about the proposed step—from someone who has followed and understood the growth of their business and its management needs.

Well placed

Accountants who have themselves adopted a computer system should be well-placed to discuss the move and a fast-growing number of small firms fit into this category.

Desk-top micro-computers commonly involve an outlay of around £4,000 with appropriate software support. Mini-computers range upwards from about £9,000, while full-size models with a total capacity four or five times as large generally start at about £20,000. Several suppliers, such as Star Computer Group or MGE Systems, now market a range of software which has been specifically designed for the needs of the accountancy profession.

Computers might be able to help with some aspects of the small firm's workload but the sheer volume of mundane compliance work continues to grow inexorably.

As accounting standards proliferate and tax requirements grow more complex every year, the small firm partner can find it difficult to set the time aside for what is usually the more interesting work involved in management accounting — let alone more esoteric areas.

The volume of compliance work bearing on accountants is seen by some as a major factor behind the emergence of so many small business agencies of one sort or another. Onerous compliance work can hit at the traditional client relationships of family partnerships in other ways as well.

It can be hard to explain the need for tiresome and costly enquiries when others appear ready to ignore them — as accountants charge the clearing banks with doing.

The temptation to follow suit is very strong. "Staff overheads are unreasonably high for a small firm which tries to keep up with all compliance standards, as compared with another firm which might be more relaxed about these things," says Mr Drummond Abrams, a member of the ICA's Smaller Practitioners' Advisory Committee (SPAC). "And at the end of the day, the public won't know the difference."

The threat posed to small firms by increasing competition from the banks seems bound to grow as the banks themselves have to rethink the deployment of their staff in the computer age.

Vigorously

Mr Andrew Jenner, head of the ICA's Practice Advisory Service (PAS), believes the threat might still be under-estimated by many. "Not enough small firms are asking themselves vigorously who their customers should properly be—and what services those customers really want and need," he says.

Confronted on this score, most small firm partners will not be short of a derisory word or two about the relative cost and efficiency of the banks' auditing services. Those who stop to think about the potential competition are confident it can be met. "But if they are not thinking about it," as Andrew Jenner says, "they are very likely going to feel the pinch at some stage."

The partners of troubled firms, whether pinched by competition from the banks or worries about other internal professional matters, can turn to Mr Jenner's PAS for help. It was set up as a management consultancy for smaller firms in 1980 and has had dealing with about 400 firms in the past 18 months.

Questions raised by inflation come high on the list of recurring problems. The continual adjustment of fees, for example, focuses attention on what a small firm's profitability should be. "A sole practitioner might normally be expected to earn very approximately half of his gross fee income," says Jenner. "Quite a few that we see are earning rather less than that."

Again, inflation means that old-established practices can suddenly find that the formulae providing for goodwill payments to retiring partners presents a serious strain on their financial resources. The ICA service can give advice about alternative schemes or help with suggestions, for example, about how to sell or merge the practice.

Another source of guidance from the ICA is, of course, its direction on matters of accounting methodology — but many small firm partners admit they find the ICA has now grown to become an overly academic body in this context. "And its attitudes encourage too much early specialisation by our young graduates," adds one senior partner.

The career paths chosen by those young graduates, finally, is another longer term source of concern. Offered three-year training programmes by the major City firms, far fewer of today's young entrants into the profession begin with a small firm training. This must have serious implications for the recruitment prospects of the small firm.

Duncan Campbell-Smith

ACCOUNTANCY IV

Internationally and at home the profession is under pressure to change structure and attitudes

Mexico congress a forum for world debate

OVER THE past decade the accounting profession has come under increasing pressure to demonstrate that it has an important role to play in the international business community. Much of this pressure has been self-generated as accountants started to notice a twofold threat to their position of influence.

On the one hand the 1970s saw a rapid expansion in the number of groups prepared to offer financial advice and other services to the accountants' clients—with bankers, lawyers and management specialists leading the competition. On the other, international political agencies such as the United Nations and the OECD and a variety of pressure groups demonstrated a growing interest in the reporting practices of multi-national corporations. This interest has centred particularly on the quality and extent of the information disclosed by the companies, including that in their annual reports.

Setting rules for financial reporting is not an area that the accounting profession has ever claimed exclusively as its own. Although influential in many countries, accountants have had to sit on the sidelines in others such as Japan, Germany and France, watching governments exercise political control over corporate reporting. Having seen the problems that can occur and the nonsense that can result, the profession is now determined to prevent a similar outcome on a global basis.

Ten years ago this determination gave birth to the International Accounting Standards Committee (IASC). Since then the IASC has kept up a steady trickle of pronouncements in an attempt not only to standardise the criteria for measuring corporate performance but also to prescribe detailed disclosure requirements for companies and other entities that are economically significant in the countries where they operate.

Critics of the committee say that it lacks teeth. International accounting standards are not mandatory in that their adoption and enforcement is entirely a matter for the professional bodies that are IASC members, which themselves have no power outside their own accounting memberships.

The profession has taken this criticism to heart and has responded with a three-pronged campaign to assert a more positive and powerful presence — first by attempting to curry favour with the international political agencies with claims of unique expertise and objectivity; secondly by seeking the open support of the larger companies (which might be expected to share a common interest in avoiding outside political interference); and thirdly by seeking to serve not just accountants but also the entire community of people who use or rely on corporate disclosures for a variety of different reasons.

Impressed

The IASC, though not representing all aspects of the profession, has had some moderate success in achieving each of these aims. Formal lines of communication have been established with the UN and the OECD. The UN in particular seems quite impressed with the level of co-operation afforded by the accountants.

In rustling up the support of the companies themselves the IASC has less to show for its efforts. So far only Canadian companies have shown themselves willing in any large numbers to make specific reference to compliance with IASC standards. The Italians are likely to follow suit next year in compliance with Consob's new requirements. Pressure from the IASC is continuing but there are signs that some of its members are lukewarm towards the campaign pending further rationalisation of the various international professional bodies.

In expanding the community which it seeks to serve the IASC is only now beginning to make progress. Last year it formed a consultative group drawn from a broad range of user organisations. Although lacking real power, the group's role is to react to the IASC's proposals from the users' perspective and to provide suggestions for further areas of regulation.

At the same time the IASC has refused to accept full integration with the mainstream professional body, the International Federation of Accountants, in order to preserve an image of independence. Instead, the two bodies have entered into what they call "mutual commitments" which establish limited financial links, respect for each other's work and which ultimately will give the IFAC power to control appointments to the IASC board.

Attention is now being directed to sorting out the proliferation of other regional and international bodies. In Europe, for example, the Union des Experts Comptables (UEC) looks after the profession's auditing and educational interests in that area, while another body, the Groupe d'Etudes, specialises more in the accounting implications of EEC legislation. Both organisations run the risk of duplicating the efforts of the world-wide bodies and a variety of other groups have been formed in other continents. The need to establish effective lines of communication between all of these is now being seen as a priority.

Against this backdrop the profession is gearing up for a major international congress in Mexico this October. Held every five years, these congresses are intended to provide a forum for debating the direction to be taken by the profession, both *technically* and *politically*. Although past congresses have been criticised for their lightweight content, this year's gathering is acquiring an unusually important air in view of the profession's identity crisis.

Privately

Most of the real work at such conventions is not done in plenary sessions but privately in the informal talks between leading lights from the multinational corporations and the international audit firms. Smaller organisations cannot in the main afford to spare the manpower or lack the interest to attend. The most powerful lobby is drawn from the larger audit firms and the so-called "Big Nine" in particular.

Partners from these firms will have a lot of common ground to discuss. The past five years have been a period of rapid change. Many of the firms have experienced dramatic expansion in a spate of national mergers. At the same time their major clients, the multinationals, have suffered in the recession and have applied pressure for reduced audit fees.

Other developments include a much greater exposure to litigation, not only in the U.S. but also in Canada, the UK and Australia. Adverse settlements are beginning to affect firms internationally, either directly through cross-border actions or indirectly through the knock-on effects of a tarnished image.

These risks have in turn forced the firms to re-examine their own internal structures and to spend large sums on training to achieve uniform standards. It is no surprise then to find them supporting the international professional organisations in search for a common approach. What has astonished observers is the limited extent of this support. It is still proving difficult to persuade members in individual firms to put aside short-term national concerns in favour of greater emphasis on macroscopic issues that affect the firms as a whole.

One area in which this lack of enthusiasm has given rise to extensive criticism is in raising the standards of auditing. This task is currently the responsibility of the IFAC, supplemented by various regional bodies. Progress is viewed as ponderous, with a limited range of official statements that do nothing to advance the state of the art but merely pass on basics to the developing countries. Critics are keen to see a major push in this area during the 1980s but claim that the resources currently made available by the larger companies and firms are wholly inadequate.

All interested eyes will be turned towards Mexico City to see what changes the profession is prepared to make to its structure and plans. The period of complacency may be coming to an end.

Peter Mantle

Hard times seem no spur to closer harmony

LAST SPRING'S attempts to gather support for proposals to merge two of Britain's larger accountancy professional bodies appear to have come to nothing. Mr Alan Brooks, director of capital spending at the National Coal Board, tabled resolutions for the merger of the Association of Certified Accountants and the Institute of Cost and Management Accountants (ICMA), of both of which organisations he is a member.

But support turned out to be only patchy. Association members voted in favour, but ICMA came out strongly against. One reason is that although many accountants would like to see greater unity within the profession, there is a feeling that an Association-ICMA union would be the wrong kind of merger. It would risk further polarising the profession according to status, without solving the functional anomalies which at present characterise British accountancy.

Priorities

The basic problem is how to reconcile the interests of the auditing side of the profession with the rather different priorities of the majority of Britain's 120,000-odd qualified accountants who earn their living in industry and commerce (both in the private and public sectors).

Accountants in professional *firms—and especially those in* the Big Eight — have long dominated the largest and most prestigious UK accountancy body, the Institue of Chartered Accountants in England and Wales. Yet even here the auditors are numerically very much in the minority.

Out of 56,500 ICA members who are professionally active in the UK, only about 18,500 hold practising certificates and can audit accounts. The remaining 38,000 are mostly to be found in industry and commerce, though some are employed in professional practices on non-auditing work such as tax advice.

So it would be more logical that the members of ICMA—which is a specialist body, with some 90 per cent of its 16,000 UK members employed in industry and commerce—should seek to forge stronger links with the chartered accountants in industry than to combine with the more diversified Association.

For their part, the chartered accountants, who enjoy greater status, have never shown noticeable keenness to join in any restructuring of the profession —undesirable and inconvenient though it is that there should be as many as five separate UK bodies. These include the Scottish Institute and the public finance Institute CIPFA.

Within the English Institute, however, the balance of power has been shifting. Industrial accountants have begun to reach the presidential chair more frequently—Mr Eric Sayers of Duport was president in 1978-79 and Mr David Cormie of Reed International is in line to assume the post in a year's time.

About five years ago groups of prominent finance directors began to be formed, initially spurred by the inflation accounting debate but later turning their attentions to a wider range of issues. The Hundred Group of Chartered Accountants is based in London, and there is also a Midlands Group. North of the border a similar group has been formed within the Scottish Institute.

The Hundred Group has produced reports on such subjects as the level of audit fees, the financing of nationalised industries and the problems caused by high interest rates. Behind the scenes its members have been involved in such matters as the discussions on the restructuring of the Accounting Standards Committee.

More formally, within the English Institute there has been set up an Industrial Members Committee, which reflects the views of those numerous members of the English Institute who would like to see the influence of the big professional firms reduced.

Training

A key area in which the differing priorities of the industrial chartered accountants are obvious is that of training. All chartered accountants train and qualify within one of the professional firms, although a large proportion of them have no intention of practising as auditors and leave as soon as they are able to put the letters ACA after their names.

There has been a long and inconclusive debate within the ICA on the unsatisfactory aspects of this arrangement, which it can be argued places an undue burden upon the professional firms. At the same time it means that the training of industrial chartered accountants does not concentrate upon the skills they will eventually require.

The Institute's recent major review of education and training polices has come to the conclusion that the question of training industry must be looked at again and there is due to be a debate in Council next December.

Various possibilities are to be considered, including for instance the secondment of industrial trainees to professional firms for limited periods. However, the numbers would probably only be quite small in the context of an overall annual intake of 3,000 or so new members.

Only about 50 large companies have so far proved keen to provide training facilities, and would be capable of doing so—though another 50 have shown some interest. The number of students each year might be in the range of 200 to 400.

The relative scarcity of adequate facilities within companies is a reminder that at least industry has been relieved of an overhead under the present training system. But industrial chartered accountants could argue that industry and commerce eventually pays the bill anyway in the form of fees—so companies might as well pay directly for a training system which they would then have much greater control over.

Meanwhile the professional firms continue to place great emphasis on the quality of their intake and the efficiency of their training programmes—despite recurring concern about the high failure rate in the ICA's examinations.

Experience

The major effort is undertaken by the big firms, which accept that most of their trainees will leave for jobs in industry or in the flourishing *small firm sector where training* is almost non-existent. This leaves out of account, however, the medium-sized firms which also in many cases take training seriously and argue that gaining experience through work with smaller clients rather than being tied down for several months on large company audits can give a young accountant a broader experience of all the skills that he will require.

Accountants have become used to the annual "Milk Run" round the universities where the bulk of the recruitment is done. A big firm like Peat Marwick Mitchell has been taking on about 400 recruits every year. Just a handful might eventually become partners.

This year, however, the shadow of the recession is hanging over the recruitment process and indeed over the whole accountancy profession. The numbers of recruits are being trimmed back, especially in the provinces, and the number of applicants have soared.

Not only is the weakness of business causing the firms to cut back; the lack of opportunities within the profession means that fewer trained people are leaving. It appears that the London offices of the big firms have not yet suffered the same chill as the regional offices, so that the London firms are still recruiting, but elsewhere the picture is often bleak.

Already the intake of new members of the ICA is tailing away and this trend can be expected to continue over the next few years as the effect of lower recruitment shows through. The long boom in the employment prospects for accountants in the UK at last appears to be over.

But there seems little reason to think that a harsher economic climate will make Britain's accountants any keener to settle their differences and develop a more rational structure for the profession.

Barry Riley

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TECHNOLOGY

EDITED BY ALAN CANE

Tour operators' computer links

BY ELAINE WILLIAMS

TWO MAJOR schemes allowing UK travel agents to link directly into holiday tour operators' computerised booking systems have been launched this week.

Yesterday Thomson Holidays, Britain's largest tour company, unveiled its TOP system which is based on the viewdata technology developed for British Telecom's Prestel information system. It will be available in the autumn.

Meanwhile a second system, called Modulas, has been announced by the Association of British Travel Agents (ABTA), which will allow Britain's 4,500 agents to access all the major tour operators hotel, hire car and airline booking systems including Thomson's system.

ABTA has spent £250,000 adapting a system developed by Caltrav, a subsidiary of Calladine and Baldry, Canada's largest tour operator.

ABTA hopes that its system will be of benefit to the smaller travel agents which represent 2,000 of the 4,500 travel agents in the UK. ABTA members are already major users of Prestel to obtain up-to-date information about last-minute cut price holiday bargains, air traffic strikes, and country regulations which might affect travel.

Mr Colin Palmer, Thomson's commercial director, believes that the speed of the direct computer booking and the amount of extra information will help win the extra sales which mean the difference between a tour operator's profit or loss. A tour company has to sell around 80 per cent of its holiday packages before it starts to make a profit.

Thomson's move to direct booking is prompted by the fact that 95 per cent of its £200m UK business is through travel agents. It carries over 1m passengers a year and has 20 per cent of the UK market.

The system will also help to make Thomson more efficient by increasing staff productivity and helping the company to cope with booking peaks. For example as much as 10 per cent of the 700,000-seat summer programme can be booked on the first day the brochure is released causing major switchboard jams at Thomson's headquarters.

Direct computer booking systems will benefit the customer too, because confirmation of a booking can be made within minutes instead of days through the post.

In addition, the Thomson system can automatically suggest alternative holidays, call up extra inforamtion such as car hire and insurance and show the customer the full price before he books his holiday.

Until the advent of viewdata systems—which link low cost computer terminals via the telephone line to large computers—it was not considered economic to provide travel agents with direct booking facilities.

Travel agents can use any terminal or television set which has a Prestel facility. This will enable them to link into both the ABTA and Thomson systems via the telephone line. There are already several suitable products on the market which can be bought or hired through rental companies such as Visionhire or Telefusion.

Cancer detection method

A NEW method for detecting cancerous cells has been developed at the Aichi Prefectural Cancer Centre in Japan.

Mr Akio Matsukage, who discovered the technique, is cautiously optimistic that it could eventually lead to earlier detection of the disease.

The technique which is to be announced at a Japanese Cancer Association symposium on Friday, is based on the fact that a certain enzyme—DNA polymerase—present in high quantities in cancerous cells.

Mr Matsukage uses special antibodies to react with the enzyme to help scientists determine which cells are growing more rapidly simply by looking through a microscope.

By combining a fluorescent dyestuff with the antibodies, Mr Matsukage found that he was able to make reproducing cells fluoresce when exposed to green light.

To date, he has used this technique to show that DNA polymerase in its alpha form—which is the enzyme involved in cell division and reproduction—is far more plentiful in cancerous cells than normal ones.

Plessey leaps in the office with Ibis

PLESSEY, the UK electronics giant, this week announced its major products for the "electronic office."

Late last year it made clear its intention to tackle the electronic office market with products based around its capability in telecommunications switching.

Now it has launched a series of products with the generic title Ibis—the Integrated Business Information System.

Keycomponents are the *digital exchange—the exact* analogue of the conventional office private automatic branch exchange, but handling information as binary digits—and the "dataplug."

This latter device is the Plessey approach to providing information services in the office on tap like eleccity or water.

It is a box about 13 ins long with the capacity to attach any non Plessey terminal with an industry standard (V24/RS232) into Plessey's office network.

The logic behind Dataplug is that it will give customers the flexibility to build networks of their own while protecting investments already made in other manufacturers' equipment.

It is widely acknowledged that the problem experienced in hooking together different makes of equipment is one of the chief barriers to automated office development.

The Plessey offering includes, in addition to the digital exchange and the Dataplug a range of workstations including word processors and viewdata devices, application software packages for a variety of office activities and intelligent "Gateway" facilities.

This means that a customer using Plessey's office system can retrieve information from a computer database which is not part of the customer's local network—assuming, of course, that access has previously been agreed.

Plessey is now only one of a host of companies offering office automation systems, but it is one of the very few with a system based on the telephone exchange.

Others include Rolm (on whose technology the Plessey system is based) and Northern Telecom both of the U.S.

Geoffrey Charlish looks behind the security screen at Patscentre

Warning word for management

A depressed building industry had hit sales of MK Electric's mains distribution products generally, so Patscentre was consulted and the answer was 'Response' a system that allows control and monitoring signals to be transmitted over existing mains wiring

ACCORDING TO a group of highly respected technologists tucked away in the Herfordshire countryside, there remains an alarming tendency on the part of Western World managements to pay inadequate attention to the meaning of new technology for their companies.

The warning comes from Patscentre, the technology consultancy wing of PA International, which now has centres in the U.S. (at Princeton), Germany and several other countries.

Patscentre is not a contract research group, developing items from instructions and specifications. Instead, it takes on the task from "square one," embracing concept, design, engineering, production and marketing.

Unfortunately, a good deal of the activity at Royston remains unsung. A need to preserve confidentiality for its clients, and the tendency of professional technologists to hide their lights under bushels, means that the organisation is shrouded in a certain amount of mystery.

But a couple of hours spent talking to the people there and to group chief executive Gordon Edge shows it to be a highly productive organisation, with a client list containing names such as Plessey, Bosch, K-Shoes, MK Electric, Longines, Alpine Double Glazing—there are dozens of others.

Patscentre, with a total staff of 1,600, is concerned only with new products and processes and with ways of realising them. Last year, these activities produced revenues of £60m and what the 1982 review describes as "an excellent performance" in terms of profits. The Royston unit has been doubled in size, a Spanish centre has come on stream and Prutec, the Prudential Assurance Company's technology investment company (with funds of £20m), which is technically propelled by Patscentre, expects the first hardware to be made by licensed companies later this year.

These are in an important mobile radio area and in the direct generation of electricity from sunlight.

Prutec has some 30 projects on the boil at the moment and its chief executive, Dr Derek Allam, points out that the concept is viable enough "to have been copied by other financial groups, including Legal and General."

Edge has some persuasive points to make about management appreciation of new technology. He thinks that chief executives must try harder to think laterally and to carefully consider the future.

For example, it is vital, he asserts, to perceive what point the company's technology has reached on the so-called S-curve, in which a new technology starts relatively slowly, enjoys a growth period and then flattens off as it comes to the end of its natural life.

While going up the "good times" growth part of the curve, says Edge, many managements fail to plan for the jump to the next, new S-curve and so suddenly find themsleves caught out by new technology invoked by new companies.

Others, he believes, are threatened by non-traditional and unconventional competition. For example, it is often assumed that transportation must be energy intensive. But vehicles with magnetic levitation moving in partially evacuated tunnels would consume very little.

Competition can come from unexpected places, as the Swiss watch industry found to its cost.

It is an important matter. As Edge emphasised in a recent interview with "Inside R & D," the U.S. newsletter, management must identify the companies which, through an alternative technology, might be able to introduce a discontinuity into the way in which a product or process works. Then, it might be able to stay in the market which at the moment it considers its own.

Sometimes, a company is casting around for new products with the short-term objective of boosting a temporarily depressed market for its present ones.

Roger Taylor

Bob Crichton of Patscentre with the controller for the "Response" system

This was recently the case at MK Electric, probably Britain's best-known electric plug and socket maker. A depressed building industry had hit sales of the company's mains distribution products generally, so Patscentre was consulted and the result was "Response," a system that allows control and monitoring signals to be transmitted over existing mains wiring.

Designed by the electronics group at Royston, Response has a small push-button/display control unit which, plugged into any mains socket allows up to 32 powered devices elsewhere, plugged into special sockets, to be switched on or off individually.

Alternatively, the loads can be made to come on or off on a timed basis, programmed from the keyboard. In addition, they can be interrogated from the keyboard/display to determine their status.

In this way, energy management and other control systems (security for example) become a simple matter. Later, the equipment will be enhanced to carry quantitative data over the wiring. Response, which uses digital addressing and contains two custom semiconductor chips, is expected to go into production in about a year's time.

Also underway in the electronics group, for an unnamed *telecommunications organisation*, is a study aimed at reducing speech bandwidth in telephone systems.

Apart from electronics, Patscentre has groups working in electrical and mechanical engineering, applied physics, materials science and food technology.

It can tackle most product problems, but there is a major constraint. Says Gordon Edge: "We have to be more cost effective than the client would be if he undertook the project himself."

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Hugin, as part of the Electrolux Group, is a progressive Company and the market leader in its field. Diversification is leading the Company into other computer-related areas and a period of rapid expansion is planned.

An energetic qualified financial controller is required to replace an outgoing finance director and who will report to the managing director and will work closely with the sales and service directors and their senior managers.

Responsibilities include 10 staff, fully computerised management system, company secretarial and general administration, monthly reporting, periodic forecasts and annual budgets.

Applications are invited from young financial managers who are prepared to take on responsibilities outside the traditional area of accounting. Ability rather than qualifications are sought.

Apply with career details to:
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S.W. London **£15,000**

Our client is a highly respected U.K. public group whose growth and profits record is exceptional. It operates through a large number of profit-responsible subsidiaries in the U.K. and overseas.

As a result of expansion and reorganisation it seeks an accountant to manage the central accounting department of the European region with emphasis being placed on the ability and skill to ensure the timely presentation of accounts, reports, plans, forecasts and other management information.

Applicants aged 30 or over, must be qualified and should demonstrate excellent statutory accounting experience alongside the ability to supervise and motivate 14 staff. The company offer excellent conditions of service and the opportunity to progress within an expanding environment.

Applicants should submit full career details quoting ref. 832 to **Nigel Hopkins F.C.A** at 31 Southampton Row, London WC1B 5HY.

MP
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London Birmingham Manchester

Hoggett Bowers

Executive Selection Consultants

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Chartered Accountant

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Cleveland, c.£13,500

This growth company manages very large design, engineering and construction projects overseas and is part of a major listed group which is recognised as a world leader in engineering contracting. Responsibility is to the Director–Finance for the management of the project accounting function which provides comprehensive management information and financial guidance to project management and maintains systems to provide close accounting control of contracts. It is a dynamic, sharp end, managerial role with a potentially significant influence upon contract profitability. The requirement is for a well qualified accountant who can quickly develop commercial awareness of project management and financial control having already demonstrated capability in the supervision of a sophisticated management accounting function at operating company level in manufacturing or contracting. Age envisaged is around 30 with prospects for the high calibre candidate not confined to the UK nor to the finance area.

G.T. Walker, Ref: 42402/FT. Male or female candidates should telephone in confidence for a Personal History Form 0632-327455, 4 Mosley Street, NEWCASTLE-UPON-TYNE, NE1 1DE.

Accountancy Appointments also appear within the Accountancy Survey in this Issue

Accountancy Appointments

QUALIFIED ACCOUNTANT
Property Management
£12,000 — £15,000

Our Middle-Eastern client owns properties in Europe. The number of properties is increasing to the point at which centralised management, cost-control and reporting discipline is needed. Candidates:

★ Must be qualified ACAs or ACMAs.

★ Must be willing and able to travel abroad for several weeks at short notice.

★ Must have commercial acumen.

Property management experience is an advantage but not vital. A working knowledge of French and/or Spanish would be a major advantage. Age range is around 30 and location is Central London. Salary is negotiable.

Please forward a full curriculum vitae, in confidence, to:—

Terry Fuller
CHARTERHOUSE RECRUITMENT LIMITED
55 Charterhouse Street, London EC1M 6HD
Tel: 01-253 0433

QUALIFIED ACCOUNTANT
£15,000 + Car + Mortgage

MAJOR FRENCH INSURANCE COMPANY

Our clients, a major French Insurance Company, require a qualified accountant to manage the Accounts Department of their busy London Office which handles Non-Marine, Marine and Treaty business.

The successful applicant should have good experience not only of insurance company accounting, but also in managing modern and computerised office systems, and an ability to communicate in French. There is a first class opportunity for career advancement.

Write giving details of career to:
Anthony Blake, Neville Russell, 30 Artillery Lane
LONDON E1 7LT

ACCOUNTANCY RECRUITMENT.
Temporary/Permanent Staff Placements.

CHIEF ACCOUNTANT
c. £11,500

Required by fast growing service company located west of London. Candidates should preferably be newly qualified with management potential to work closely with the financial director. Responsibitity will include monthly accounting requirements and staff control.
Ref. PW/161

ACCOUNTANT/COMPANY SECRETARY
c. £11,000

A chartered accouatant aged around thirties with commercial awareness is required by a successful publishing company located in Central London to work as part of a management team and also to take charge of the company secretary requirements. Career prospects are excellent.
Ref. AT/171

For further details write or phone to:

Accountancy Recruitment
Kent House, 87 Regent St., London W1R 7HF
Tel: 01-437 1844

A trans-national Construction Company requires a

FINANCE EXECUTIVE

based in Central London to look after its financial and banking interests.

Selected candidate may be aged between 26-34 and a qualified Chartered Accountant with at least four years' experience in all aspects of commercial banking gained in a large international bank. The present job could be a stepping stone to wider development in a forward-looking organisation.

Salary and perquisites are negotiable. Please write in confidence to:—

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16, Castleacres, Hyde Park Crescent
London, W2

MANAGEMENT ACCOUNTANT
CENTRAL LONDON

This is an interesting new position at senior level with one of Britain's leading publishing companies. The post calls for an enthusiastic recently qualified accountant looking to develop his/her career in a stimulating environment.

The successful candidate will join a small divisional finance team working closely with publishing and marketing management in the development of several key areas of the company's business both at home and overseas. He/she will be expected to make a significant contribution to the development of finance and management information systems with specific responsibilities for appraising and reporting on divisional performance. An attractive salary package commensurate with experience will be provided.

Replies should be forwarded with C.V. to:

Box A7881, Financial Times, 10 Cannon Street, London, EC4P 4BY.

scope executive
CORPORATE REVIEW

REDHILL, SURREY **to £11,000 + Car**

Owing to continued growth and expansion our client, a diverse British group, turnover £40m plus, has been carrying out a steady decentralisation of its finance function. This has now reached a stage where they wish to set up an operational audit function. Reporting to the Group Financial Accountant, major responsibilities will include organising an audit programme to ensure regular review of divisional operating statements and balance sheets, systems audit and modification as necessary and full documentation of group and subsidiary procedures. In addition the successful candidate will become involved in half-yearly and annual reviews with senior group management. Although diverse, the company's divisions are closely grouped geographically, therefore, travel involving overnight stays will be very low, perhaps with occasional trips to the Caribbean and the USA.

The ideal candidate will be a qualified accountant aged 25-40 either from a professional firm or from the audit department of an industrial or commercial concern with some experience of computer auditing techniques.

For further details please write to or preferably telephone:—

PAUL MOONEY
01-402 7162

10a London Mews, London Street, London W2. 01-402 7162

scope executive

Senior Finance Executives

Having successfully accomplished a remarkable turnround in its operations with a strong return to profitability, BPCC is now seeking to recruit several outstanding financial executives to play an active part in the continuing expansion of its operations involving sustained high quality profit growth.

Accordingly, we wish to hear from ambitious, able, well qualified accountants who can satisfy the demanding standards which successful candidates will be able to meet.

The necessary qualities required will include:

- **Several years experience at a senior level within industry, preferably but not necessarily in printing or packaging;**
- **A well developed commercial aptitude and sound business sense;**
- **Extensive experience in job costing, preparation of budgets, management accounts and statutory accounts together with cash flow forecasting and control;**
- **Sound experience in the introduction and development of computer installations for accounting and allied uses;**
- **The ability to maintain tight control on operations by internal control systems, and over capital employed;**
- **The capacity to work under sustained pressure and ability to *motivate others accordingly.***

Successful applicants will be rewarded with an attractive salary and benefit package that befits the qualities required of them.

Candidates who are confident they can satisfy the above requirements — and if you have doubts you almost certainly cannot — should send a full C.V. to Peter Bouch, Personnel Controller,

The British Printing & Communication Corporation PLC
Headington Hill Hall
Oxford OX3 0BW.

FINANCIAL CONTROLLER

Midlands **Salary c. £20 - £25,000**

Our Client is a highly successful and fast expanding Investment Services Group based in an extremely pleasant but convenient Midlands location.

Future growth plans both in the UK and Internationally mean that an energetic and ambitious accountant is required to spearhead the financial development of the Group.

Candidates should be qualified Chartered Accountants who have gained the skills necessary to put complex and sophisticated financial plans into operation and are used to controlling all the usual accounting functions.

Experience of the implementation and operation of computerised accounting systems is essential as is the knowledge of both legal and taxation aspects of accounting combined with an up to the minute knowledge of all relevant legislation.

As the group is involved in many aspects of the financial world, candidates who have familiarity with companies involved in Commodities, Futures trading, Options, Foreign Exchange or Financial Futures, the Stock Market, or a good overall knowledge of the Investment Marketplace will be at a distinct advantage. This by no means precludes people who feel they have other relevant experience.

It is therefore likely that someone with a background in a service industry such as banking, insurance or other financially based organisations would have the necessary background experience for this appointment. We would also be pleased to hear from people in International Accountancy Practices who having gained the expertise required would now like to return to play an important part in developing an organisation.

The preferred age is mid 30's and as both the company's profit record and reputation are excellent this opportunity offers tremendous scope for future career development.

The financial package will not be a barrier to the right person.

Suitably qualified candidates should write with full CV to the Group's Advisor, Malcolm Silver at Silver & Robb Associates, Orient House, 42 - 45 New Broad Street, London EC2M 1QY.

All applications will be acknowledged and treated in the strictest of confidence.

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Chief Accountant (Financial Sector)
City
c.£22,000 + house loan + car

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Suitable candidates, male or female, must be chartered accountants. They must have proven management experience and thorough familiarity with accounting for financial institutions gained at management level in that sector or in an international professional firm.

Send a detailed c.v. (with salary progression) or write for our application form, quoting reference 2410/L, to M. J. H. Coney, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

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Executive Selection Division

CHIEF ACCOUNTANT
to £14,000 + Car + Profit Share.

East Midlands **Age 30-40**

Our client is a highly successful member of a major British group whose achievements in a competitive market have resulted in the need for a qualified accountant to join their senior management team.

Reporting to the Managing Director this new position offers the opportunity to take full control of the finance function including the review and development of computerised systems, forward planning and the commercial interpretation of financial information. As management reports are designed to contribute significantly to the company's growth and profitability, the successful candidate will be expected to work to tight and inflexible deadlines.

Applicants should demonstrate the following skills and abilities:

* A formal accounting qualification
* Several years industrial/commercial experience
* The ability to communicate at board level
* Ambition, creativity and resilience.

Interested applicants should write to Terry Benson at Michael Page Partnership, 24, Bennetts Hill, Birmingham B2 5QP or telephone 021-643-6255 for an application form.

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Aged between 28-35 candidates should possess the following:-

* **Mature, positive and robust personality.**
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* **Professional Qualification or MBA.**
* ***Excellent communicative skills.***

These positions offer candidates with considerable potential, the opportunity for rapid advancement.

A highly competitive international compensation package is offered.

Contact: Adrian Thorley in strict confidence.

Ferguson Thorley Bowles Associates Limited
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15 Clarence Street, Staines, Middlesex TW18 4SU
Telephone: Staines (0784) 59247 Telex: 8814148

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c.£11,000 + car
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C&H Collins and Hayes

Collins and Hayes Limited, a privately owned manufacturer of upholstered furniture, is strengthening its management team to cope with the company's continuing expansion programme.

The successful applicant, who will have had several years industrial experience as a qualified accountant, will control a small efficient finance department and will be responsible for D.P. operations. A major first task will be the installation of a product costing system to cope with the increasing complexity of the company's manufacturing methods.

The management accountant will report to the Finance Director and will be expected to make presentations at Board level.

A generous remuneration package is offered and, where appropriate, full relocation expenses will be reimbursed.

Applications, in writing, together with a C.V., should be sent to Finance Director, Collins and Hayes Limited, Ponswood, Hastings, Sussex, TN34 1XF.

JOBS COLUMN

Kill or cure problem for headhunting trade

BY MICHAEL DIXON

THE HIRED GUNMAN seems to be a favoured self-image among American recruiters who fill jobs, not by advertising, but by the individual-approach methods of executive search. "The rule in the States," one told me not long ago, "is that clients hand over a description of the man they want, and you go get him."

The self-image preferred by recruiters of the same sort in the United Kingdom is different. It is more that of the family doctor who when clients feel a pain in their human organisation, is called in to diagnose the trouble and select the cure.

Given the choice of being pursued by Dr Finlay or by John Wesley Hardin, readers who are job-candidates would doubtless also prefer the UK image. But it was not upheld by a meeting of nearly 50 recruitment consultants in London the other day. The object of the gathering, organised by Bob and Jacqueline Baird who publish the Executive Grapevine directory of headhunters, was to discuss the idea of a new trade association for recruiters in Britain.

To their credit the people who attended made no pretence of all belonging to a recruitment profession comparable with medicine. They were refreshingly open about the divisions between their various interests.

One division which is widely appreciated is that some consultants work exclusively by executive-search technique, others recruit only by advertising the jobs they are asked to handle, and a third lot use both methods. But there is a further split which is less well known.

On one of its sides stand retained consultants who require a fee before they will begin looking for a recruit on behalf of an employer. So only a part of their fee income depends on their finding a suitable person.

Secretive

On the other side of the gap are the so-called contingency recruiters. They do not require a fee before putting forward candidates to employers, being paid only if they introduce the person who eventually gets the job. And they are not the least of the reasons why retained consultants tend to be secretive about their clients even when the organisation concerned has no objection to being named.

For on hearing that a recruit is wanted by an identifiable employer, contingency operators are seldom if ever deterred by the fact that someone else has already been assigned to fill the vacancy. They just rush in with their own lists of candidates and if one of them is picked, deprive the originally assigned consultancy of the balance of its fee.

While such interventions probably go unknown to most candidates and arguably work to the advantage of employers, they certainly get up the noses of retained consultants. The result is that they look on the contingency elements of their trade with a somewhat sharper disapproval than—as far as this column can see—surgeons feel for general practitioners or nurses feel for either.

What's more, several speakers explicitly exposed the absurdity of the preferred UK image. The recruitment trade lacks anything even faintly resembling the body of established knowledge which guides the judgment of the doctor. And it was argued that it would be arrant and ineffectual snobbery to pretend that what recruiters do for their living is dignified enough to be governed by a code of professional ethics.

A typical comment was: "In real terms our position is that we are paid by employers to get the results they want. The only measure of quality that's important to us is that we stay in business and the clients come back to us for more. High ethics, as such, play little part in the process."

The same of course might have been said no less truly, had there been time, at a certain previous meeting at the OK Corral. Even so, the hired gun image does not fit recruiters either.

For one thing the gunman's job is simply to create vacancies whereas the recruiter, as I understand it, is expected to be rather more positive in approach.

For another, although the conference brought together retained consultants and contingency specialists, most of whom were meeting one another for the very first time, no fighting broke out. It was clear that the bulk of them enjoyed meeting — indeed, a decision to organise get-togethers about four times a year in future seemed to be the only definite outcome of the event.

'Poachers'

Nor do I think that the alternative self-image of "poachers," suggested by one speaker to a sharp intake of breath from everyone else, is an accurate reflection of the trade. It is true that the nub of recruitment consultancy is to fish good managers and specialists out of their present organisation to go to work for the consultant's client. But except in West Germany, that is not in itself an illegal activity.

The only trouble is that the Government of this or any other country, especially in Europe, could easily come under pressure to ban executive search, at least.

There can be no denying that recruitment by individual approach has increased its share of the market particularly quickly since the outlawing of inappropriate discrimination by race or sex. The connection may well be only incidental, and I certainly have no substantial evidence that executive search has been used in secret service of an employer's illegal prejudices. But the important point is that it plainly could be and accordingly is an open target for pressure-group campaigning.

It surely would not take much of a clamour to make the public sector and nationalised industries, which are considerable users of search consultants, shy away from them. In that case major private-sector companies sensitive about their image of social responsibility would seem likely to follow suit.

Besides, the growth of search activity has been such — Bob Baird estimates that there are at least 400 recruitment consultancies of various kinds operating in the UK with a combined turnover of £100m plus — that much more of it might well provoke the united protest of major employers tired of having key staff lured elsewhere.

So unlike the majority of the 40-odd recruiters at the conference, I feel that there is good reason for consultants who use search methods and are mindful of their longer-term interests in this country to associate in drawing up and publicising their subscription to a self-regulatory code.

Minimum

It need not pretend to Hippocratic dignity and should not be hypocritical either in suggesting that recruiters associated with it could enforce the rules on others. But it could lay down a minimum period during which an employing concern which used a subscribing consultancy would be free from any approach to its employees by the same consultancy and possibly by any of the headhunting staff who worked for the consultancy at the time.

Still more important would be a self-imposed ban on the acceptance of any recruiting assignment where the criteria for selection laid down by the employer were anything less than patently lawful. Ideally, I would like to see such a code go even further and include a pledge that subscribing consultants would prevail on employers not to discriminate even legally by attributes—such as age or academic gradings—which are not clearly necessary for success in the work concerned.

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Chichester House, Chichester Rents, **Career plan** LIMITED London WC2A 1EG. Tel: 01-242 5775

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Write Box A.7888, Financial Times, 10 Cannon Street London EC4P 4BY, with full curriculum vitae

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Adelaide House, King William Street, London EC4R 9DX.

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Written applications incorporating a curriculum vitae should be addressed to Box No. A7887, Financial Times, 10 Cannon Street, London EC4P 4BY.

Large German Bank

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Further particulars are available from the Secretary (4368/2), The Open University, Walton Hall, Milton Keynes, MK7 6AA or by telephone from Milton Keynes (0908) 653710: there is a 24 hour answering service on 653868. Closing date for applications: 30th July 1982.

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Candidates should write in the first instance to: Malcolm Silver, who is acting as advisor to the company, at Silver & Robb Associates, Orient House, 42/45 New Broad Street, London EC2M 1QY or telephone him in confidence on (0926- 312682) between 6.30 - 9.30 any evening. Please mark your envelope 'Private & Confidential'.

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The Banque du Rhone et de la Tamise S.A., a Swiss bank based in Geneva, is expanding portfolio management services offered to customers of the London branch.

An Investment Manager is to be appointed to develop business in the United Kingdom and abroad.

The successful applicant will be:

—Experienced in personal and institutional portfolio management.
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—Familiar with the major investment markets abroad.

Remuneration is negotiable and will include benefits which are commensurate with the position.

Please reply in confidence to:—

BdR

R. C. N. Tweed, Esq.
Banque du Rhone et de la Tamise S.A.
Licensed Deposit-taker
107-112 Leadenhall Street
London EC3A 4AL Tel: 01-283 8600

U.S. INVESTMENT ADVISER

If you are an individual or independent organisation with your own U.S. equity clients and you simply require competitive clearing facilities and private space in a non-member's office in the City, please contact

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10 Cannon Street, EC4P 4BY

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Shrewd people recognise that first-class job opportunities do not grow on trees but that there are more about than meet the eye; that each proposition must be carefully vetted before being discarded or pursued; that a high degree of self-awareness plus detailed preparation are essential to win the "Big One" against current explosive competition; that it helps to have on-going access to a real professional for informed advice and objective opinion at those crucial times.

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Expanding professional team requires experienced traders and sales people with indepth knowledge of FRN's, FRCD's and other capital market instruments.

Attractive remuneration packages will be negotiated for the successful candidates.

Please contact: John Webster

BRANCH MANAGEMENT

Our client is continuing to expand its branch network and is interested in talking to ambitious clearing bankers currently at Grade IV or V level.

Successful candidates are likely to have full AIB and must possess the self confidence and leadership qualities expected of a branch manager. Locations are likely to be North East London and Essex. Ages 28-32. Salaries c £10,000.

Please contact: David Little

LOANS OFFICER

A confident, self-motivated credit analyst is sought by an international bank for their West End office. Applicants must have the capability to set-up a department, initially building on existing business and developing the lending portfolios. This position offers good career potential and involves a great deal of customer contact. Salary: c £13,000 plus usual banking benefits.

Please contact: Diana Warner

Jonathan Wren *BANK RECRUITMENT CONSULTANTS*
170 Bishopsgate · London EC2M 4LX · 01 623 1266

International Appointments

SENIOR TAXATION ASSISTANT

HONG KONG

The Hongkong Bank Group has a vacancy in its Head Office Tax Department in Hong Kong for a Chartered Accountant, or a young Inspector, aged about 25, to assist in handling the Hong Kong tax affairs of the Bank and its subsidiaries. The Department *has responsibility* for *advising on tax problems* worldwide and *for* creative tax planning.

You will have:

* either a good accountancy training, gained with a professional partnership, or be a graduate entrant Inspector
* some years' experience of general tax work, including corporate tax
* *the background to allow you, if required, to provide assistance* in the solution of problems in international taxation.

A two year contract is proposed initially, with the possibility of extension if mutually agreeable. The position offers excellent career prospects for a young person with a special interest in taxation, who is keen to broaden and develop his experience.

A competitive tax free salary will be paid. Generous fringe *benefits include free fully-furnished accommodation*, six weeks' annual home leave with free return air travel (including family), children's education allowance, medical benefits, etc.

Applications, with a full account of your career and a day time telephone number, should be sent in strict confidence to:
A. M. Child,
International Recruitment Controller,
The Hongkong Bank Group,
99 Bishopsgate,
London EC2P 2LA,
to be received by 28 June 1982.

The Hongkong Bank Group

Investment Management

Geneva

Chemical Bank is expanding its activities in the field of private banking and is now looking for an experienced Portfolio Manager for its new Geneva Branch.

The successful candidate, who will probably be in his early to mid 30's, is most likely to be a Swiss National with full command of French and English, who has been working in International Fund Management in London for the past 3 to 5 years. The position will report directly to the General Manager and will be at a level such as to attract a top professional.

Benefits are in line with the best international banking practice and remuneration will not prove a problem for the right candidate.

Reply in absolute confidence to:
Katherine Howells, Personnel Department,
Chemical Bank, Chemical Bank House,
180 Strand, London WC2R 1ET.

CHEMICAL BANK
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KUWAIT PETROLEUM CORPORATION

KPC is a holding corporation (totally owned by the Government of Kuwait) carrying out activities related to the petroleum and hydrocarbon industries.

The KPC Group of Subsidiaries are involved in exploration, production, refining, transportation and petrochemicals operations in the country and abroad.

At KPC Head Office, which has the corporate functions of marketing, planning, finance and administration, the treasury and investments team within the finance department is actively involved in the analysis and evaluation of direct investment proposals and joint venture projects, as part of the overall corporate development process.

Due to its increasing responsibilities, the finance department seeks a capable qualified

FINANCIAL ANALYST

to participate in the following part of the treasury and investment team's function:—

- Analysis and evaluation of financial information relevant to investment proposals.
- Monitoring the financial performance of KPC direct investments.
- Examination of the financial status of corporations, that may be potential joint venture partners, operators, or major contractors for KPC and/or its subsidiaries.
- Evaluation, recommendation and monitoring of portfolio type investments.
- Interpretation of financial laws and regulations related to KPC investments and participation in the overall tax planning.

Ideally, KPC seeks a qualified financial analyst, or equivalent qualification, in his thirties, with seven years of experience as financial analyst with a large multinational corporation—preferably in energy and oil related business—as a member of its strategic planning and corporate development group, or with an investment bank or consultancy firm with direct experience in mergers and acquisitions.

An attractive salary with furnished accommodation is offered with benefits such as education allowance for children, paid annual leave of 42 calendar days with air passage for employee and family, term life and personal accident insurance, free medical service and end of service bonus.

Interested candidates are invited to write, in confidence, giving full details of academic and/or professional qualification, career history to date, personal data, address and telephone number, to:

The Administration Manager, Kuwait Petroleum Corporation,
P.O. Box 26565, Safat, Kuwait.

PARIBAS

Banque de Paris et des Pays - Bas

requires for its
SYNDICATED LOAN DEPARTMENT, in Paris, a

BANKER

who would take immediate responsibility for a geographic region, as part of a multinational team.

This person would be responsible for structuring credit proposals in cooperation with other departments of the Bank, for negotiation of terms, syndication strategy and the entire process of international syndication. Candidates will have the following characteristics:

- Graduate (MBA preferred),
- Fluent in English and French, other languages an advantage,
- Experience in a similar function of at least 2-3 years as well as a basic banking training and/or credit analysis skills,
- Able to travel extensively.

The preferred candidate will be able to conduct high level negotiations overseas, and may consider this post as a step in an international banking career.

Address, curriculum vitae, hand-written letter, photo and salary required to Banque de Paris et des Pays-Bas, Direction du Personnel (625), B.P. 141, 75078 Paris Cedex 02—France.

European Financial Controller

Belgium

- Our client is an expanding multinational company engaged in electronic security systems. Their requirement is for a Financial Controller to head up the European controllership function based at their headquarters in Belgium.
- Candidates must be fully qualified Accountants, probably aged 30-35, who have had a sound financial training with a major auditing practice, followed by relevant experience in commerce, ideally in a multinational environment in Europe. A command of French and German would be important advantages.
- The position has considerable long term career potential as the company is at a significant stage of its development and is poised to exploit the expanding European market.
- Terms and conditions of employment reflect the importance of the appointment.

Please write or telephone for an application form to S.W.J. Adamson FCA, Director, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hitchin, Herts. Tel: Hitchin (0462) 55303.

GROSVENOR STEWART
International Management Recruitment
London Hitchin Frankfurt Brussels

ESD

Operations Manager

Wardley — **Singapore**

Following the continued rapid expansion of Wardley Limited the Singapore Branch now wishes to recruit an Operations Manager. This new role includes responsibility for accounts, administration, EDP, internal communications and loans administration. An attractive package will be offered which will include free furnished accommodation, house loan scheme and profit participation.

Candidates must be qualified accountants and be familiar with a broad range of accounting and back office procedures. A very strong preference is for those with experience in a financial services company. They should have excellent communication skills and the personality to fit into a friendly and hard working office. (WW279)

Candidates should write briefly to Executive Appointments Limited, Executive Selection Division, 18 Grosvenor Street, London W1X 9FD quoting reference. All applications will be forwarded to our client.

ESD is the Executive Selection Division of EAL

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GENERAL MANAGER

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P.O. BOX 12 01 28
4800 BIELEFELD 12

The World Bank, a leading international institution in the field of economic development, with headquarters in Washington, D.C., seeks:

INTERNATIONAL PETROLEUM CONTRACT SPECIALIST

Scope: The activities of the Energy Department related to the promotion of exploration opportunities in developing countries have grown rapidly in recent years and are expected to remain at a high level. These activities include encouraging a policy framework conducive to effective cooperation between governments and international oil companies. The ability to analyze and comment on the terms of petroleum exploration and production contracts has proved an essential component of these activities.

Responsibilities: The Petroleum Contract Specialist will be responsible for advising the Department on all contractual aspects of exploration promotion. He or she will be closely involved in the preparation and implementation of contractual aspects of exploration promotion projects. This will involve a considerable amount of time consulting with governments and oil companies.

Qualifications: A university degree in the geo-sciences, economics, finance or related subject; a minimum of five years experience in the negotiation of international petroleum exploration and production agreements, preferably including a significant exposure to petroleum activities in developing countries. Preference will be given to candidates who, in addition to the above qualifications, have a close familiarity with contractual and economic aspects of natural gas *supply* contracts.

The World Bank offers a competitive salary and benefits package. Please send a detailed resume, quoting Reference No. 2-1-UKG0304 to:

The World Bank
Staffing & Planning Division
1818 H Street, N.W.
Washington, D.C. 20433

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Our client, a joint Bahrain/British managed company, is chiefly a publisher of directories covering the whole Gulf region.

As part of its development, this growing company now plans the publication of new, high-quality, reliable and informative Financial Yearbook of the Gulf area.

The person we are looking for will certainly have had some experience as a financial journalist and will probably be about 30 years of age. He will be creative and resourceful, well-organised and imaginative, hard-working and adaptable. There is a reputation to be made in this post. Contract includes free flat, car etc and is open to single or married candidates.

If you would like full details of this challenging opportunity, please contact John Hacker (ref 535).

John Hacker associates
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COMPANY NOTICES

GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION of 20th May, 1982, NOTICE is now given that the following distribution will become payable on and after the 15th June, 1982, against presentation to the Depositary (as below) of Claim Forms listing Bearer Depositary Receipts.

GROSS DISTRIBUTION PER UNIT	3.00	CENTS
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	2.55	CENTS PER UNIT
CONVERTED at $1.776 =	1.43581	PENCE PER UNIT

Barclays Bank PLC
Securities Services Department
54 Lombard Street, EC3P 3AH

17th June, 1982

JOINT ANNOUNCEMENT

BY EAST DAGGAFONTEIN MINES, LIMITED ("EAST DAGGA") AND EGOLI CONSOLIDATED MINES LIMITED ("EGOLI")

Negotiations are being conducted and are presently nearing finality for the acquisition by East Dagga of the shares in two Companies owned by Egoli which in turn hold certain dump permits and surface right permits for the processing of certain slimes dams, in exchange for a cash payment and the issue to Egoli of shares in East Dagga. The acquisition of these companies by East Dagga will not effect the present operations of Egoli. As soon as these negotiations are finalised, a further announcement will be made. In the meantime shareholders of both East Dagga and Egoli should exercise caution in dealing in their shares.

Johannesburg, 17 June, 1982

PIONEER ELECTRONIC CORPORATION

NOTICE IS HEREBY GIVEN to holders of CDR's issued by Caribbean Depositary Co., N.V. Curacao, evidencing shares in the above company that the company's convocation notice of the extraordinary general meeting of shareholders of common stock to be held on June 29, 1982 may be obtained from:

Pierson, Heldring & Pierson N.V.
Herengracht 214,
Amsterdam

and

The Bank of Tokyo Ltd.,
established in: Tokyo, Bruxelles, London, Düsseldorf, Paris and New York.

PIERSON, HELDRING & PIERSON N.V.

Amsterdam.
June 11, 1982.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in MURATA MANUFACTURING CO. LTD.

NOTICE IS HEREBY GIVEN that a meeting of the Board of Directors Murata Manufacturing Co., Ltd., held June 11, 1982 it was resolved that free distribution of shares be made shareholders in the ratio of 0.1 sha for each 1 common share of Y50 ea (1 new for each 10 old) as of reco date July 20, 1982.

With effect from July 15, 1982 t shares will be traded on the Japanese Stock Exchanges ex-rights. Coupon N 4 will be used for the purpose of clai ing these rights and a further noti will be published as soon as possib giving the date of distribution of t new shares.

CITIBANK, N.A., Londo Deposita

June 17, 1982.

URUGUAY 5 PER CENT CONVERSION GOLD LOAN 1905 AND URUGUAY 5 PER CENT PUBLIC WORKS LOAN 1909

Williams and Glyn's Bank plc hereby give notice that they have received instructions from the Banque de Paris et des Pays-Bas S.A., Paris to pay to the extent of the funds which may be provided for the purpose coupons of the above loans due 1st July, 1982 in *sterling* at the rate of £0.175 per unit coupon. This represents interest at 3½% in accordance with the terms of the offer of the Uruguayan Government dated 3rd January, 1939.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) in AJINOMOTO CO. INC.

The 104th Ordinary General Meeting of Shareholders of Ajinomoto Co., Inc. will be held on June 29, 1982.

AGENDA

1. Approval of Financial Statements and appropriation of retained earnings for the 104th term.
2. Amendment of the Articles of Incorporation.
3. Revision of remuneration payable to Directors and Statutory Auditors.

(Full text of Notice is available at Citibank, N.A. London.)

Shareholders who wish to exercise their voting rights must deposit their certificates not later than June 24, 1982, at the offices of the Depositary, Citibank, N.A., 336 Strand, London, WC2R 1HB, or the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg, together with instructions indicating the way the shares be voted.

CITIBANK, N.A. London Depositary

June 17, 1982.

CONTRACTS AND TENDERS

JORDAN CEMENT FACTORIES COMPANY LTD (JCFC)

INVITATION FOR TENDERERS TO SUPPLY 800,000 TONS OF CEMENT

JCFC invites competent suppliers, who can supply 800,000 metric tons of ordinary Portland cement, during 12 months, through a floating silo (barge), to be berthed at Aqaba port, Jordan, to submit their offers for the said supply of cement. Deliveries to commence 1 September 1982.

Interested suppliers may obtain the Tender Documents, against non-refundable fee of Jordan dinar two thousand, from JCFC offices located at Third Floor, Housing Bank Building, Abdaly, Amman, Jordan, as of 17 June 1982.

Only experienced suppliers in the operation and delivery from floating silos shall be considered. It is a condition that the floating silo should be of suitable design and of good operational standard. JCFC reserves the right to inspect the silo and consequently accept or reject same. Offer relative to rejected silos shall not be considered. JCFC, in this case, will not be under any obligation to state reasons for the rejection of any silo.

Closing date of this tender shall be 12 am, 30 June 1982. Late offers, whether delayed in the mail or for any other reason, shall not be considered. Award of the contract to the successful tenderer is expected to be concluded during the first half of July 1982.

JCFC is under no obligation to accept the offer of the lowest price.

Tenderers are required to enclose with their offers a bid bond in the amount of 3 million Jordan dinar. This bid bond should be issued by a bank operating in Jordan in the form attached to the tender documents. Upon award, this bid bond shall be automatically considered as the performance bond.

JORDAN CEMENT FACTORIES CO. LTD.,
P.O. Box 610, Amman.
Telex: 21239 Cement Jo.
Tel: 65219, 65138, 65139

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Frankenallee 71-81. Telex: 416052. Telephone: 7598 157.

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Brussels: 39 Rue Ducale. Telex: 23283. Fax: 512 1404. Tel: 512 9037.

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Hong Kong: Room 302, Hang Chong Building, 5 Queen's Road Central. Telex: 75204 HX. Tel: 5-235166.

Johannesburg: P.O. Box 2128. Telex: 8-6257. Tel: 838-7545.

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Mexico City: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 535 1368.

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 413300 Finance. Tel: 243 1635.

New York: *Editorial and Advertising* 75 Rockefeller Plaza, N.Y. 10019. *Editorial* Telex: 66390. Tel: (212) 541 4625. *Advertising* Telex: 238409. Tel: (212) 489 8300.

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Rio de Janeiro: Rio Branco 45, Salas 2611-2612, Centro DEP 20090, Rio de Janeiro RJ Brazil. Tel: 263 8845. Telex: c/o Reuters.

Rome: *Editorial* Via della Mercede 55. Telex: 610032. Tel: 678 3314.

Stockholm: *Editorial* Svenska Dagbladet, Raalambsvagen 7. Telex: 17603. Tel: 50 60 88.

Tokyo: *Editorial* 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax: 245 0358. Tel: 241 2920. *Advertising* Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: 127104. Tel: 295 4050.

Washington: *Editorial* 914 National Press Building, Washington D.C. 20045. Telex: 440340. Tel: (202) 347 8676.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

هكذا من الأصل

TELEVISION

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.05-11.50 For Schools, Colleges. 1.00 pm News After Noon. 1.30-1.45 Chock-A-Block. 2.00 You And - Me. 2.15 For Schools, Colleges. 3.00 Tennis: The BMW Championships. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Drak Pack. 4.40 The Littlest Hobo. 5.05 John Craven's News-round. 5.10 Blue Peter.

5.40 News.

6.00 Regional News Magazine.

6.25 Nationwide.

6.50 World Cup Report.

7.30 Top of the Pops with Simon Bates.

8.10 Fame: Dreams of success and the big-time mingle with joys and frustrations.

9.00 News.

9.25 Oppenheimer. Part 3 of the story of the atomic bomb pioneer.

10.25 Question Time, with Robin Day in the chair.

11.28 News Headlines.

11.30 World Cup Report. Late night round-up of highlights.

Chris Dunkley: Tonight's Choice

I suspect that for many people, BBC-2 and the radio are going to become even more than usually blessed havens of escape as this "**Great Summer of Sport**," the BBC's phrase (not mine), shouts and screams its way to various climactic tantrums in all sorts of odd suburban spots. Eastbourne (**International Tennis**) on BBC-2, **Zaragoza (World Cup '82)** on ITV and Ascot (*Royal Ascot*) on BBC-2.

Music lovers at any rate are well served by BBC-2 and radio, especially lovers of Beethoven and above all, Stravinsky. Radio 3 offers a 1958 recording of the composer himself conducting the BBC Symphony Orchestra at the Festival Hall, in a programme of ballet music (Agon Symphony, Apollo Musagetes, and The Firebird) called **Stravinsky Conducts Stravinsky.** That clashes head on with BBC-2's **Stravinsky And The Dance** introduced by former BBC producer John Drummond who is now director of the Edinburgh Festival.

At 10.15 Radio 3 returns to the man again for a "collage of musical tributes" called **In Memoriam Igor Stravinsky.** The **Beethoven Concert** is on *Radio 4* with *Seiji* Ozawa conducting the Philharmonia in the Leonora Overture and Symphony No. 7, and Isaac Stern playing the Violin Concerto.

BBC 2

6.40-7.55 am Open University.
10.30-10.55 Play School.
1.30 pm Royal Ascot and Tennis.
†6.10 Charlie Chaplin.
6.40 Travellers in Time.
7.10 News Summary.
7.15 Stravinksy and the Dance.
8.10 Human Brain.
9.00 Call My Bluff.
9.30 Brass Tacks Reports.
10.10 Tennis.
10.40 Royal Ascot highlights.
10.55 Newsnight.
11.35 The Old Grey Whistle Test.

LONDON

9.35 am Schools Programmes. 12.00 Gammon and Spinach. 12.10 pm Get Up And Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus presented by Elaine Grand. 2.45 Whicker's World. 3.45 Survival. 4.15 *Bugs Bunny.* 4.20 *Little* House on the Prairie. 5.15 Never the Twain.

5.45 News.
6.00 Thames News with Andrew Gardner and Rita Carter.
6.25 Help! Community action with Viv Taylor Gee.
6.35 Crossroads.
7.00 Give Us A Clue with host Michael Aspel and team captains Una Stubbs and Lionel Blair.
7.30 World Cup '82: N. Ireland v Yugoslavia from the Romareda Stadium, Zaragoza, plus highlights of Czechoslovakia v Kuwait from Valladolid.
10.30 News At Ten.
11.00 TV Eye.
11.30 Hill Street Blues.
12.25 am What The Papers Say.
12.40 Close: "*Sit Up And* Listen," with Hugh Dykes.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 2.00 Not for Women Only. 3.46 Never the Twain. 4.20 Fangface. 4.45 The Adventures of Black Beauty. 5.15 Survival. 6.00 About Anglia. 11.30 Lou Grant. 12.30 am The Nuclear Challenge.

BORDER

1.20 pm Border News. 3.45 Never the Twain. 4.20 Sport Billy. 4.45 Here's Boomer. 5.15 University Challenge. 6.00 Lookaround Thursday. 11.30 Pro-Celebrity Snooker. 12.15 am *Border News Summary.*

CENTRAL

12.30 pm The Young Doctors. 1.20 Central News. 3.45 Never the Twain. 4.20 Sport Billy. 4.45 Jason of Star Command. 5.15 Arthur C. Clarke's Mysterious World. 6.00 Crossroads. 6.25 *Central* News. 11.30 Central News. 11.35 Thriller: "Murder is a One-Act *Play,*" starring Robert Powell.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 3.45 *Never The Twain.* 5.20 Crossroads. 6.00 Channel Report. 6.15 Animated *Classic.* 10.58 Channel Late News. 11.30 Manix. 12.25 am News and Weather in French.

GRAMPIAN

9.45 First Thing. 1.20 pm North News. 3.45 Never The Twain. 5.15 The Electric Theatre *Show.* 6.00 North Tonight. 6.30 Police News. 11.30 Cover To Cover. 12.00 Seachd *Laithean.* 12.30 am North Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Crown Court. 2.30 Yesterday. 3.45 Never the Twain. 4.20 Spiderman. 4.45 Little House on the Prairie. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 11.30 Benson. 2.00 What the Papers Say. 12.15 am Late Night from Two.

HTV

1.20 pm HTV News. 3.45 Never the Twain. 4.15 Here's Boomer. 4.45 The Flying Kiwi. 5.05 Jobline. 5.15 Benson. 6.00 HTV News. 10.58 HTV News. 11.30 Lou Grant. 12.30 am What the Papers Say.

HTV Cymru/Wales—As HTV West except: 9.35-9.50 am Wales and the Sea. 11.22-11.37 Yn Eu Cynefin. 12.00-12.10 pm Annest. 4.15 Murphy's Mob. 4.45-5.15 Sêr. 6.00 Y, Dydd. 6.15-6.35 Report Wales.

SCOTTISH

1.20 pm Scottish News. 3.45 Never the Twain. 4.20 Jangles. 4.50 Sport Billy. 5.20 Crossroads. 6.00 Scotland Today followed by Bodyline. 6.30 Benson. 11.30 Barney Miller. 12.00 Seachd Laithean. 12.30 am Late Call.

TSW

1.20 pm TSW News Headlines. 3.45 Never the Twain. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Scene South West. 11.00 TSW Late News. 11.30 Mannix. 12.25 am Postcript. 12.30 South West Weather.

TVS

1.20 pm TVS News. 2.00 Not for Women Only. 3.45 Never the Twain. 5.15 Watch This Space. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 11.30 Quincy. 12.25 am *Company.*

TYNE TEES

9.25 am The Good Word. 9.30 North East News. 1.20 pm North East News and Lookaround. 3.45 Never the Twain. 4.20 The Lone Ranger. 4.50 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life with Tom Coyne. 11.00 North East News. 11.30 Check It Out. 12.02 Job Slot Extra. 12.05 am The Invisible Harvest.

ULSTER

1.20 pm Lunchtime. 3.45 Never the Twain. 4.13 Ulster News. 5.15 Jangles. 6.00 Good Evening Ulster. 6.25 Police Six. *10.59 Ulster Weather.* 11.30 Church Report. 12.00 News at Bedtime.

YORKSHIRE

1.20 pm Calendar News. 3.45 Never the Twain. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Calendar (Emley Moor and Belmont editions).

RADIO

(S) Stereo broadcast (when broadcast on VHF)
‡ Medium Wave only

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 113.0 Dave Lee *Travis.* 2.00 *pm Steve Wright.* 4.30 Peter Powell. 7.00 Walters' Weekly. 8.00 David Jensen. 10.00-12.00 Mark Ellen (S).

VHF Radios 1 and 2—5.00 am With Radio 2. 7.45 pm John Dunn (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell (S). 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am Steve Jones (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart at Ascot (S). ‡3.13 Prime Minister's Question Time. 4.00 David Hamilton (S). 6.00 John Dunn (S). 7.45 World Cup Special: Northern Ireland v Yugoslavia. 10.00 The Impressionists. 10.30 Star Sound Extra. *11.00 Brian Matthew with Round Midnight.* (stereo from midnight). 1.00 am Encore (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Stravinsky (S). 10.00 Opera at the Keyboard (S). 10.40 Clarinet and Piano recital (S). 11.05 Hallé Orchestra (S). 1.00 pm News. 1.05 Manchester *Summer Recital (S).* 2.00 Stravinsky and Schumann chamber music recital (S). 2.40 Bach: St John Passion (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.30 Bandstand (S). 7.00 Stravinsky: BBC Symphony Orchestra, concert *given in 1958, part 1.* 7.45 *Interval* Reading. 7.50 Concert, part 2. 8.40 A Dream Play by August Strindberg (S). 10.00 Spem in Alium (S). 10.15 In Memoriam Igor Stravinsky (S). 11.15-11.18 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 As it Happens. *10.30 Daily Service. 10.45 Morning* Story. 11.00 News. 11.03 An Evening with Ian Wallace (S). 11.48 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.00 News. 4.02 The Pleasures of the *Garden. 4.10 Bookshelf. 4.40 Story* Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.45 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Kaleidoscope. 7.50 Concert Prelude (S). 8.00 Stern and Ozawa in a Beethoven Concert (S): The Philharmonia Orchestra with Isaac Stern, conducted by Seiji Ozawa. 9.00 Musical Maladies (Interval Talk). 9.20 Concert, part 2: Beethoven (S). 9.59 Weather. 10.00 The World Tonight. *11.00 A Book at Bedtime. 11.15 The* Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BUSINESS LAW

The vital needs of insolvency law

BY JUSTINIAN

Bankruptcy is a recondite branch of the law designed to regulate the consequences of an individual debtor's insolvency. It has three main purposes. It seeks to preserve fairness among creditors competing for the limited assets available for distribution; it protects the bankrupt from undue pressure exerted by certain creditors; and it discharges the bankrupt from his liabilities and enables him to start afresh.

In performing these three tasks the system has to frame rules that are designed at one and the same time to cope with the commercially unfortunate and the fraudulent debtor. The former must be helped back on to his feet while the latter must be controlled against further fraudulent trading.

Early legislation — the first English statute dates back to 1542 — was mainly directed against fraudulent debtors. More recent times have seen a shift in emphasis towards the luckless whose numbers swell in times of economic stringency. But there has been a growth in the awareness of the authorities that the system is insufficiently tough on the fraudster, or at least the reckless trader.

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It is against that background that the Cork Committee on Insolvency Law and Practice has finally reported, after five years of discussion, in a document that is copious and searching in the solutions of modern insolvencies, both of individuals (bankruptcy) and of corporations (winding-up). The *leitmotif* of the report is the harmonisation of the individual and corporate insolvencies within the confines of an Insolvency Court. But throughout it keeps well in the forefront the need to promote honest trading while distributing the assets fairly and swiftly among creditors.

In two major respects the Cork Committee seeks to dissociate the criminal law from the civil law, as if the former was to be regarded as purely punitive and the latter merely compensatory. It assumes that it is inappropriate or illogical that civil damages should include a punitive element and that the criminal law is exclusively the better instrument for conveying social disapproval or for redressing a wrong to the social fabric. As a matter of pure pragmatism English law has never compartmentalised the two systems; indeed there is a strong move afoot to inject into the criminal law a greater compensatory element as a penal sanction. The recommendations of the Cork Committee would seek to stifle that development.

The first proposal is to break up the present offence of fraudulent trading, which has very restricted application in that it can be committed only by a director of a company *that at the time of prosecution* has gone into liquidation. That restriction apart (which may need to be modified) the Cork Committee proposes a new civil remedy of "wrongful trading." A company would be trading wrongfully if, being insolvent or unable to pay its debts as they fall due, it incurs liabilities to other persons without a *reasonable prospect of meeting* them in full. Anybody who was a party to the carrying on of the company's trading may be made personally liable for the debts of the company if he knew, or ought to have known that the trading was wrongful. Wrongful trading, while having a wider field of application than fraudulent trading, is acknowledged as overlapping the criminal law.

But wrongful trading, as a separate legal concept, would require neither proof of fraud or dishonesty, nor the criminal standard of proof. The Committee concluded: "It is right that it should be an offence to carry on business dishonestly; and right that, in the absence of dishonesty, no offence should be committed. Where, however, what is in question is not the punishment of an offender, but a provision of a civil remedy for those who have suffered financial loss, a requirement that dishonesty be proved is inappropriate. Compensation ought, in our view, to be available to those who suffer foreseeable loss as a result, not only of fraudulent but also of unreasonable behaviour."

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Dishonesty may be the badge of criminality, although dotted around the criminal statutes there are many offences that do not have dishonesty as an ingredient. But if the law is designed generally to provide redress to the victims of unlawful trading (whether the unlaw*fulness is dishonest or* negligent) does it matter whether the forum for providing the remedy is civil or criminal?

The latter is conducted almost wholly at public expense by a public authority with extensive resources at its disposal, whereas the former is cumbersome and costly to the *individual* victim.

The second proposal is at once both more sound and equally defective. The Cork Committee proposes that criminal bankruptcy, experimentally introduced in 1972 as a method of slotting the convicted offender before the criminal court into the civil process of bankruptcy, should be wholly detached from the system established under a new Insolvency Act. The existing procedure for criminal bankruptcy is regarded, correctly, as fundamentally unsound, since the convicted offender may not even be insolvent, a pre-requisite for civil bankruptcy. The proposed alternative is a separate and distinct system from the ordinary processes of insolvency.

But the Cork Committee goes on, in an astonishingly naive way, to propose that any new system should be administered by "the branch of government concerned with sentencing and the prison service."

Within the framework of legislation, sentencing policy and practice is exclusively a matter for the criminal courts. The Home Office, as the department responsible for *the* prison service, merely executes the orders of the courts. It can at best only influence sentencing policy and never sentencing practice. Furthermore the recouping of the fruits of crime from an offender should, it is to be hoped, not involve the prison service, save in the few cases where the *crime is so serious* that imprisonment must follow.

What is needed is not another bureaucratic machine to administer the assets of convicted offenders, but extended powers to the agencies of law enforcement and the courts. Investigative agencies need to be stimulated to direct their inquiries towards the accumula*tion of reliable* evidence indicating the whereabouts of the fruits of crime. The courts for their part need to be empowered to freeze the assets of offenders in advance of them being siphoned off to tax havens, to unidentified nominees or numbered bank accounts. Those are the vital needs if the victims of wrongful or fraudulent trading are to recover their losses in whole or in part.

RACING

BY DOMINIC WIGAN

DESPITE THE fact that France, Ireland and Sweden are all represented in today's £50,000-to-the-winner Ascot Gold Cup the home country's lone representative Ardross should again have matters entirely his own way.

If he justifies odds of around 4-1 on Ardross will be breaking new records for both his handler Henry Cecil, and jockey Lester Piggott. For Cecil, it will be a possibly never-to-be-equalled fourth consecutive triumph in the Gold Cup; for Piggott it will be an 11th victory in a race he started "farming" nearly 30 years ago.

A six-year-old stayer, who stands head and shoulders above his contemporaries now that Cecil's dual Gold Cup winner Le Moss has left the stage, Ardross is almost certainly a greater stayer at this late stage in his career than at any time in his four or five-year-old days. This supposition is borne out by three remarkable exhibitions of pace by the Warren Place stayer already this season. He was the narrow but emphatic conqueror of Glint of Gold and Amydas over an inadequate trip in Newmarket's 1½-mile Jockey Club Stakes on a seasonal debut.

After covering the final five furlongs of the 1¾-mile Yorkshire Cup in a phenomenal 58 seconds soon after that Jockey Club Stakes success Ardross proceeded to knock nearly a second off the two miles course record at Kempton, where he gave Capstan nine pounds and a 21 lengths beating in the Henry II stakes.

I have never been a great admirer of Electric, who looked woefully one-paced against Jalmood and Mr Fleurocarbon at Lingfield five weeks ago, and from a betting point of view I suspect that his presence in the King Edward VII stakes will ensure good value being *available about Norwick.*

A winner twice here as a two-year-old, Norwick ran his best race in a long while when fifth in the Derby a fortnight ago.

ROYAL ASCOT
2.30—Not For Show
3.05—Bal Royal *
3.45—Ardross
4.20—Norwick ***
4.55—Spindle Berry
5.30—Forward **

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Heavy going for Tesco in its dash for market share

David Churchill looks at the "action replay" of the supermarket group's price cutting campaign to reassert its position.

LESLIE PORTER and his board colleagues will not have much time to watch the World Cup over the next few weeks—even though players from the team they support, Tottenham Hotspur, are turning out for both the ultimate adversaries in Spain: England and Argentina.

Porter and his colleagues will be too preoccupied tracking the progress of their risky new price-cutting campaign, which aims to restore Tesco's leadership in the supermarket league.

Having seen Tesco's position at the top of the first division eroded by the success of J. Sainsbury over the last three years, Porter set the ball rolling a month ago with an "action replay" of the successful Tesco price-cutting campaign of five years ago.

On Monday May 17 all its 450 high street stores were closed down while over 1,000 grocery lines were marked down by between 3 and 27 per cent.

Yet the early indications from the retail trade are that this new campaign—called "Operation Checkout '82"—has had nothing like the impact of its forerunner. Though they have monitored it from the start, none of Tesco's high street supermarket rivals has shown any sign of making a direct response to the Tesco move.

Even Leslie Porter himself admits to being a "bit disappointed." His feeling arises from sales being only "on target"—about 8 per cent real growth over last year—and not wildly in excess of the target figure, as they were in the months after the 1977 "Operation Checkout" was launched.

Five years ago, the day after the Queens Silver Jubilee celebrations, Tesco shook up the slumbering grocery world with *a price-cutting campaign costing at least £20m.* Price cuts were made right across the board, financed by Tesco's decision to stop giving away Green Shield trading stamps, as well as being made possible by the general lethargy in the trade which had let profit margins—including Tesco's own—become rather plump.

Tesco's aggressive price-cuts immediately won it a massive increase in sales volume — the number of units handled by its warehouses rose in the space of a few months from 1.75m per month to 2.4m — and a sharp rise in market share, from about 8 per cent to 12 per cent. Its competitors were virtually left waiting for the referee to blow his whistle and start the game.

Less muscle

The beneficial effect on profits only began to wear off after about two years, as interest charges soared on the heavy borrowings Tesco had made to finance its expansion of stores. As a result, it was forced to let prices rise, but this, and some uncertainty over its marketing strategy, hit its market share.

So this time round, Tesco has had less financial muscle to use. Nor does it have the "once-and-for-all" benefit of giving up stamps again. And it has been unable to capitalise on its competitors' acknowledged weakness: its rivals — especially Sainsbury and Asda—have much stronger squads now than in 1977.

On the other hand, Tesco paved the way for its latest price-cutting campaign with an extensive rationalisation of its product ranges and control systems, *enabling it to make what* it claims are significant savings on stock holdings. All the same, retail analyst Tony MasNeary of stockbrokers Capel-Cure Myers adds, that "there is no doubt Tesco has made some significant reductions in gross margins to help pay for the price-cuts."

The new campaign was backed up by extensive press and television advertising—estimated to cost some £2m over the first three months and £10m in all this year. The advertising campaign was handled by Grandfield, Rork and Collins, the same team that had handled the first Operation Checkout campaign.

The reaction of Tesco's rivals also suggests that the price-cutting campaign may not have been so effective. "Nobody *seems to be at all alarmed by the price cuts,*" reports MacNeary. Brian Bennion, grocery buying director of Fine Fare, says the predicted price war "has been a non-event so far," while Iain Tweedie, an Asda spokesman, says that the superstore group has not altered its "consistently low prices" because of the Tesco move.

Peter Davis, marketing director of J. Sainsbury, also scorns the idea of a price war developing as a result of the Tesco campaign. "We've analysed the Tesco price levels very closely over the past few weeks—as well as the reactions of other groups—and there is nothing to make us change our already extremely successful marketing plans," he says. "I am confident that there will be no price war."

There is obviously an element of tactics involved in this sort of reaction from other supermarket groups, since they would not want to signal any intention of launching their own price-cutting campaign. But Sainsbury is probably the only supermarket chain at present that could afford to hit back aggressively at the Tesco move; its profits growth over the past three years has been remarkable — up by a third or more each year — while most other chains have been lucky even to keep the levels of profits static.

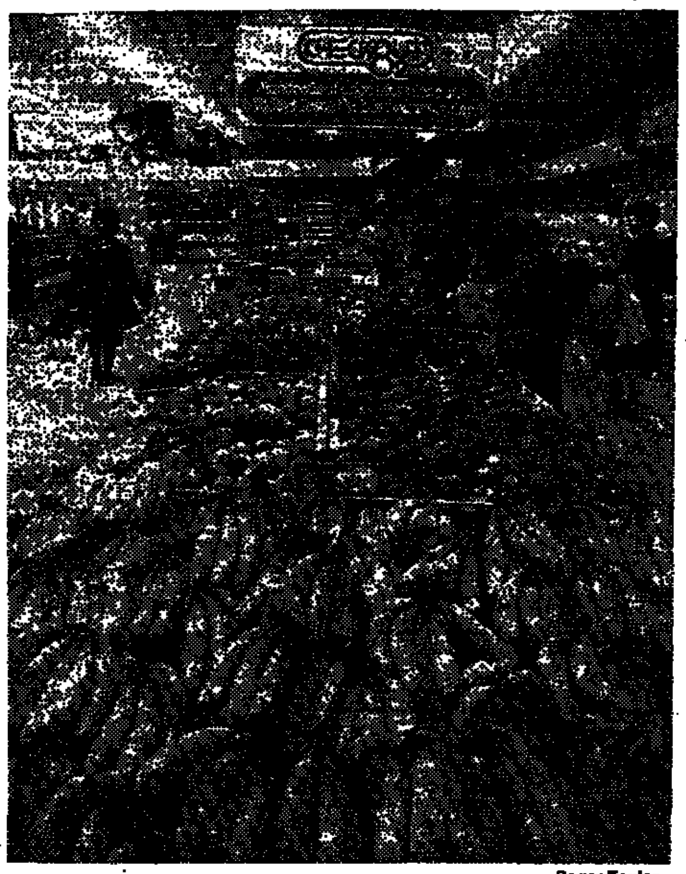
Until earlier this year this applied to Tesco. But yesterday it announced pre-tax profits for the 1981-82 financial year up by £7.1m to £42.7m.

One of the reasons Sainsbury may consider an immediate move unnecessary is that it is still riding high in the league table of market shares (though this is only for packaged groceries and does not include such areas as fresh foods). A year ago, Tesco was still the league leader with between 14 and 15 per cent of the market, while Sainsbury was trailing a full percentage point behind. Now, however, Sainsbury has opened up a two-point gap at the top with some 15.5 per cent of the market, compared with 13.5 per cent for Tesco. Asda trails a long way behind in third place with some 8 per cent.

Keen prices

No figures are yet available to show whether Tesco's campaign has enabled it to close the gap at the top, although it would be surprising if its market share has not moved somewhat closer to Sainsbury's.

But the move has certainly achieved one aim: restoring some of the company's reputation for keen prices and thereby clarifying its market image. Having increased prices over the past couple of years, Tesco found itself languishing in fifth place in the league table of lowest-priced supermarkets, behind Asda, Sainsbury, and two northern-based grocery chains, Hillards and Morrisons. However, preliminary figures now circulating in the grocery trade suggest that Tesco has drawn level with Sainsbury on low prices, although it is still behind Asda. In the supermarket league, unlike soccer, it's the cheapest team that gets to the top.

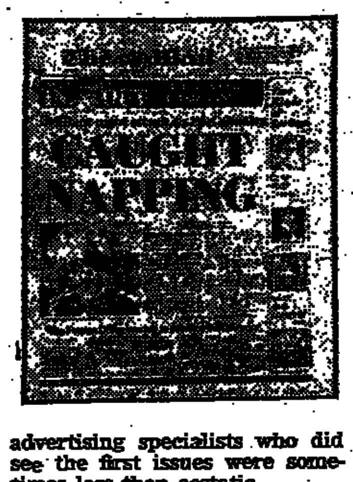


Roger Taylor

'Operation Checkout'—what will be the fruits of this labour?

Why the Mail on Sunday is adjusting its sights

BY ALAN PIKE



THE EARLY introduction of a colour magazine is a likely consequence of The Mail on Sunday's failure to settle down at its target 1.25m circulation since its launch last month.

Although some advertising industry executives have consistently bemoaned the absence of a magazine with The Mail on Sunday, the production of one did not figure at the top of pre-launch priorities for Associated Newspapers, the Mail's publishers. With production of the new Sunday newspaper limited by capacity constrained to 1.5m copies the additional readership coverage which a magazine could generate looked small, so it was relegated to the middle distance of importance.

It is now clear, however, that circulation is settling down at around 900,000 copies—some 350,000 short of the hoped-for figure and the magazine project has therefore been lifted up the list of priorities with its introduction as early as possible next year being the target.

John Winnington-Ingram, managing director of The Mail on Sunday, confirmed such a move this week. He made the point, though, that "just another colour magazine would not add to the market and would do little for sales. We would be looking for something significantly different and more exciting than the magazines already produced."

A decision to go ahead with the magazine would inevitably be accompanied by a major marketing promotion for The Mail on Sunday. The next of *these will not take place* until the autumn when, after a summer of taking stock, the company will embark upon a publicity campaign to take circulation closer to the original target.

Winnington-Ingram, looking back from the vantage point of the first half-dozen issues of the first national Sunday newspaper to be launched in Britain for 21 years, assessed the position in measured terms when he addressed the Manchester Publicity Association last week. "Our targets remain unaltered. They will just take a little longer to achieve than we had hoped."

The first issue of The Mail on Sunday was cursed by production problems which have not yet been fully exorcised from the system. Newly-installed photo composition equipment proved up to the task, but acclimatisation problems arose with the older generation presses to which the production system is linked. Many potential readers failed to obtain copies, while media and advertising specialists who did see the first issues were sometimes less than ecstatic.

Winnington-Ingram consoles himself—and his colleagues—by recalling that reaction to the tabloid relaunch of the Daily Mail was much more uncomplimentary. His basic message, in spite of the fact that Associated will have to invest rather more time and money in nurturing the new Sunday than the company first envisaged, is one of continued confidence.

"We still think that the market we defined is there. There is no question of second thoughts, or lack of will or resources. Launching a national newspaper is not like launching a magazine—this is something for keeps," he emphasised.

Monitoring

NOP and Marplan have been carefully monitoring reactions to the newspaper and feeding information back to Associated Newspapers. The Mail on Sunday was launched with a home delivery scheme which enabled Daily Mail readers to buy it at 17p instead of 28p for the first six weeks, and this has given the researchers a data-bank of names and addresses for interview purposes. There were 450,000 applications for home delivery—plus a further 100,008 orders placed after thediscount scheme—and from the research Associated expects the drop-off rate following the end of the discount scheme to be well below 20 per cent.

The research is producing a readership profile which is more comforting to *Associated* than the June circulation figures—young with a bias towards women. Most importantly, the ABC1 readership had increased to 59 per cent last week from a starting point in the low 50s.

Where are the readers coming from? The Mail on Sunday has probably already expanded the market by 350,000 or more. Beyond this, Associated research suggests that it has so far taken rather more readers from the Sunday Telegraph than it expected, and rather fewer from its main middle-market rival, the Sunday Express.

Figures at this early stage of the new newspaper's life can be notoriously confusing. A suggestion that The Mail on Sunday had taken 175,000 copies from the Sunday Express was hotly contested by Express Newspapers, and the estimate was undoubtedly well on the high side.

Although Associated says that most categories of advertising are holding up well, it is clear that the industry isstill keeping an open mind about the new arrival. "The production problems, and their effect on the production quality of the newspaper, have caused difficulties," says Chris Horsley, media director of the Ted Bates agency. "Beyond that, The Mail on Sunday does not yet seem to have decided whether it wants to be a newspaper or a magazine. It has got a bit better since the first issue—I think there is an air of disappointment among advertisers, but the newspaper is not beyond redemption."

Not beyond redemption would be putting it a bit mildly for Mr Winnington-Ingram's taste. He reminds critics that, even though the 900,000 circulation is below expectation, The Mail on Sunday has achieved "the highest ever circulation for a new publication," in the early stages of a launch.

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THE ARTS

India/Victoria and Albert

Briony Llewellyn

The East seen from the West

Although England had traded with India since Queen Elezabeth granted a charter to the East India Company in 1600, few artists visited the country until over a century and a half later. It was thus only towards the end of the 18th century that the British began to receive first hand visual impressions of India's people and scenery.

From the 1760s for a hundred years or so countless artists, both professional and amateur, visited or went to live in India: some painted portraits or landscapes for the British residents; others gathered sketches to be worked up in England as illustrations to books; others the country as part of official surveys; and still others drew it simply for their own amusement. After about 1860 the camera, a more accurate but less imaginative instrument than the artist's eye and hand, gradually took over as the prime means of representing the land and its people.

The oils, watercolours, drawings, prints and books in this delightful exhibition reveal India as British artist traveltalents, their perceptions were inevitably shaped by Western aesthetic ideas very different to those of India. The more sensitive of them wre able to respond directly to their surroundings, but all, to a greater or lesser extent, were influenced by preconceived notions, whether classical, picturesque or romantic. In relating their observations to the Western idiom, they contributed to the British sum of knowledge about India.

One of the very first artists to spend time in India was Tilly Kettle, whose splendid full-length portrait of the Nawab of the Carnatic confronts us at the beginning of the exhibition. While he and others were preoccupied with the people and their customs, notably suttee, which Kettle depicted with typically Western gestures and display of emotion, many more portrayed the scenery.

William Hodges was the first to bring back to England an extensive view of northern India with the aquatins in his "Select Views of India" (1785-1788) and a series of oils exhibited at the Royal Academy. He successfully captured the atmosphere of this strange land with its lush vegetation and massive monuments, even though he rendered it in terms of the classical tradition in which he had been trained.

Thomas and William Daniell, whose travels were more extensive and whose equatints for "Oriental Scenery" gave the British public the most complete view of India yet, found there the picturesque writ large: crumbling ruins, rushing cataracts, mighty boulders—all of a "singularity" never dreamed of at home.

Gradually more and more parts of India were viisted by artists; among them Thomas Longcroft, a draughtsman of great individuality who depicted the Palace at Lahore at a time when few British visited the Punjab.

While this geographical discovery of India was taking place, some artists developed an interest in the more homely aspects of the country. Following on from Thomas Daniell's informal pencil drawings, George Chinnery took time off from his official portrait painting of Madras and Calcutta residents to sketch the local life—boats on the beach, women drawing water, bullock carts, goats, chickens, pots and pans—nothing was too humble. Chinnery had many followers, among them the witty Charles D'Oyly who particularly enjoyed the tangled profusion of banyan trees. Such artists presented a more intimate view of India than the grand vision of the Danielles or James Baillie Fraser (Views in the Himala Mountains, 1820).

As interest in the exotic grew in the 19th century so did the popularity of romantic literature which fostered corresponding attitudes in artists' views of India. Books such as Captain Grindlay's "Scenery, costume and architecture, chiefly on the Western side of India," which included a capriccio of Mughal and Hindu architecture, and Thomas Bacon's "Oriental Portfolio" catered for this taste. Despite growing prejudices as relations between the British residents and the Indians worsened, artists still delighted in the splendour of the native princes: while F. C. Lewis painted their durbars and other official functions, William Carpenter depicted them more informally.

The many lesser known artists shown along with the more familiar, Daniells and Chinnery, make this an exhibition full of variety and surprises. Together these artists created an image of an exotic and colourful country which, despite the changes which have taken place in modern India, is with us still. The exhibition continues until July 5; it is accompanied by an illustrated catalogue with much useful information and essays by Mildred Archer and Ronald Lightbown.

Saleroom

Antony Thorncroft

Sotheby's held a very good sale of Victorian and 19th century European paintings on Tuesday night with the aim of restoring confidence to this sector of the art market. Prices of Victorian pictures rose very sharply in the late 1970s but there has been a pronounced falling away in demand in the last year or so. Hence Sotheby's pleasure in accumulating numerous important properties for the auction.

In the event the saleroom half achieved its ambition. There was a substantial 49 per cent bought in, but ten artist records were set and some of the best pictures did well. One of Walter Cranes finest paintings "The Laidley worm of Spindleton Heugh" sold for £60,500 to an American collector, a record for a Crane, and a triptych by Lord Leighton of three Greek muses, designed for the ceiling of the music salon of Henry Marquant of New York, went to an Italian collector for £121,000, on target.

The Fine Art Society of London paid £46,200 for an attractive small Tissot "The fan," and an important portrait by the French artist Gerome beat its cautions forecast well at £45,100. A Corot, "Paysannes de mur," realised £41,800 to Wildenstein.

Yesterday Sotheby's continued the sale and there were record prices of £39,600 for a work by Ludwig Deutsch, for "The water seller," and of £18,150 for "Dans la Rosée" by Carolus-Duran. There was an important collection of works by the Etruscan School founded by Giovanni Costa in the late 19th century. His "Outside the walls of Velletri" made £6,380, and "The fort at Bocca d'Arno" by one of his followers, George Howard, 9th Earl of Carlisle, sold for £2,860.

Cinema in Paris

Nigel Andrews

The French flock back to the movies

Despite initial fears about the impact the Mitterand government might have on the native film industry, the startling news from France is that during the last 12 months cinema admissions, almost uniquely in the Western world, have actually *risen*.

In France's capital, where multiplex cinemas are thick upon the streets, the choice of films is vaster than ever and half-empty auditoriums the exception not the rule.

The irony is that France has been rushing to the movie-theatres in a year in which the crop of home-made films has been relatively weak. Those two prolific maestros Claude Chabrol and Eric Rohmer have each made a new feature, playing in Paris where I saw them, but neither adds cubits to its maker's stature. Chabrol's *Les Fantomes du Chapelier*, starring Charles Aznavour and Michel Serrault, spins specious spookiness around a Simenon story and bandies few of the director's old sly asides about bourgeois morality. And Rohmer's *Le Beau Mariage*, the second in his new series of "Tales and Proverbs," consists of long expanses of witty but etiolated dialogue, with too few oases of visual pleasure.

Since the French films chosen for Competition at Cannes were little better Gerand Guerin's *Douce Enquete Sur La Violence*, Peter Del Monte's *Invitation au Voyage* and Godard's *Passion*—one wonders why Parisians have started to stampede to the cinemas in such numbers in 1981-82.

One reason must surely be that in Paris prolixity is still the password, in terms of both movie-theatres and movies available, and the opportunities correspondingly greater for a quick turnover at signs of panic. Notable European films come to the city almost automatically—the latest influx includes the new Syberberg, Ferrer and Saura—whereas in London their importation depends on the whim or will of a tiny handful of independent art-house exhibitors. And American films come to France in equal numbers as, and often a great deal more promptly than, they do to Britain.

While staying in Paris, for example, I saw John Milius's *Conan the Barbarian* and Arthur *Penn's Georgia's Friends*: both major new U.S. movies (at least on paper) neither of which has yet touched down in England. Penn's film opens later this month, but Milius's long-awaited comic-book blockbuster about the Dark Ages, which opened in America to a mega-dollar maelstrom of business, topping all available charts, is not due in Britain until the end of the year.

As it happens, the reality of Milius's film falls well short of the legend. In grainiest Spain Arnold Schwarzeneggar, formerly Mr Universe, flexes biceps the size of a bus as the freelance wrong-writer tripping across the landscape in wood and animal-pelts. James Earl Jones is the villain, yclept Thulsa Doom, who is sometimes given to turning into a snake. And writer-director Milius (who made *Dillinger* and *The Wind and The Lion*) orchestrates the twain's mutual hostility with gory but curiously ill-cut battle scenes. Intermitting these with long ramblings of cracker-barrel philosophy of the kind we have been plagued with since *Star Wars*.

The photography is consistently poor (Spanish film stock? Inclement weather?), the dialogue is comical and the possibilities hinted at the movie's close for a *Conan 2* seem a threat rather than a promise.

Let this misbegotten megalith lie where it falls. The point in general, vis-a-vis Franco-American movie interchange, is valid. France gets many of the "hot" U.S. properties before we do, and it backs up this fortune-spinning vanguard with a mighty variety of choice among the non-new and/or non-American films.

"Seasons" abound in Paris cinemas, suggesting that thought and imagination thrive even among quasi-commercial programmers. The Paris opening of Hans-Jurgen Syberberg's new *Parsifal*, for example—a film I saw in a packed cinema and that polishes Wagner's opera into a marvellous brightness with front-projection, colourfully kooky costumes and sensitive use of non-singing actors dubbed by professional opera voices (the exception is our own Robert Lloyd who both sings and acts, admirably, as Gurnemanz)—was buttressed by a comprehensive season of Syberberg's films at another cinema.

In other parts of the city special seasons unspooled in celebration of Rene Clair, Eric Rohmer, Federico Felini, Luis Punuel, Gay Cinema, Gothic Cinema and—in the cinema opposite my hotel—"La Ville, Dieu de Drame."

Paris has for decades now been a metropolis consecrated to cinephilia. (It's also the only European city where you have the option of seeing new British or American films with the original English dialogue, if you cannot stomach foreign-language dubbing.) No surprise that it's also a magnet for European directors wishing to film.

This year has seen Fassbinder, Losey and Wajda all in action making French-based movies. Fassbinder's *Querelle*, starring Brad Davis and Jeanne Moreau, was almost completed in time for Cannes, but will now probably unveil itself at Venice in September. Losey has been making *La Truite*, with France's ubiquitous redheaded star Isabelle Huppert. And Andrzej Wajda, long darkly rumoured to be a detainee of the military government in Poland, suddenly popped up in Paris early this year, pendulous with movie equipment, and announced that he was making a film about Danton and Robespierre: *L'Affaire Danton*. Gerard Depardieu, Gallic superstar, leads the cast, and appetite is whetted by the fact that the screenplay is by none other than Luis Bunuel's regular collaborator of yore, Jean-Claude Carriere.

The last time I saw Paris, its film industry people's faces were white with pain. Studios were being mothballed or fortuitously propped up by large foreign productions (like *Moonraker*): box-office takings were tailspinning: and the general cinematic landscape had the blitzed demeanour of Great Britain today. (Or at least before *Chariots of Fire*.)

But Paris in mid-1982 looks rosy and raring to go. By the end of the year we shall know if the new vitality is a flash-in-the-lab, or if France is showing world filmgoing and world film-production the way forward.

Architecture

Gillian Darley

The good news from Liverpool

Newsworthiness is a mysterious commodity. Month by month column inches are filled with news of novel initiatives aimed at resuscitating the inner city. There is promised grant aid, new incentives, new schemes, new organisations and, of course, a never ceasing flow of new acronyms. Good intentions, it seems, can be promoted easily. The plodding, frustrating business of putting them into action does not so easily capture the imagination.

Inner City Partnership funds of £22.8m have been allocated to Liverpool in the present financial year: where does it go? One very small category, amounting to an expenditure in 1981-82 of a mere £200,000, buried within these vast annual hand-outs of conscience money, is that of area improvements. By categorising the city into a number of industrial and commercial improvement areas, grant aid has been channelled in to provide tangible and relatively speedy results upon the built fabric. It seems timely, as the Secretary of State for the Environment launches yet another package of measures for Merseyside, to look at this avenue of aid.

In March 1979 Liverpool City Council declared eight such areas (known as IIAs) and Merseyside County Council one more, taking up opportunities offered under legislation in the Inner Urban Areas Act, 1978. There were also seven, separate, environmental improvement areas designated, one of which was Toxteth. Their objective was more simply cosmetic and one visible result has been the groves of saplings which blanket much of outer Liverpool these days.

The thinking behind the IIA designation—based upon an experiment carried out in Rochdale—was to encourage incremental improvements, the kind of work which plays an important psychological, as well as physical, part in the revival of depressed and deteriorating areas. By improving the fabric, through cleaning, external repairs and landscaping, the air of contagious decay can be reversed. The grant aid, which has very different applications, IIA to IIA, presumes a link between a healthy physical environment and a healthy economic life.

The three central Liverpool IIAs are those most concerned with the conservation and revitalisation of existing buildings, many of which are either listed or within Conservation Areas, or both. For London Road (north of Lime Street station), Duke Street (south of Central station) and Temple/Victoria, in the central business district, the need has been to find uses for considerable numbers of redundant commercial buildings, offering the inducements of grant aid towards their rehabilitation and towards job creation (via special Job Related grants, another category of aid).

What emerges, on looking at the figures, is a considerable discrepancy between grant applications and take-up, and enormous differences between the level of grants and the number of cases concerned, area to area. In some qurters, of course, economic depression lies so heavily that dribbles of grant aid are of little use in reversing the process—the time for first aid has long passed.

In other cases, owners reject proffered help. The fine listed building known as the Casartelli Building, on the corner of Duke Street, stands as reminder that the mere fact of grant aid being available, or that the building is statutorily protected, is not enough to reverse decline and ensure its future.

It serves as a fit comparison with one of several notable success stories within the central IIAs. The former Gordon Smith Institute for Seamen, also in the Duke Street area, has atracted considerable funds both towards rehabilitation and in job-related grants, £77,000 in all.

This quirky mixture of Hanseatic Town Hall and Bavarian castle dates from 1900. Now it has taken on a second life, as the offices of a firm of chartered accountants, Poulsons, with additional lettable office space. It has been converted with considerable panache by a Liverpool architectural practice, Brock Carmichael Associates.

Despite its unpromising position, wedged between road intersections and temporary car parks, with its backdrop the unedifying new headquarters of the Merseyside Constabulary, it makes a bright spot with its sharp red brickwork, reinstated fenestration and landscaped courtyard providing an image of optimism within a distinctly pockmarked corner of the city. Good news, they say, travels fast. This rescue should prove contagious.

Wild, Wild Women/Astoria

Antony Thorncroft

The Astoria in Charing Cross Road has re-opened as a theatre restaurant, not the first in London (the King's Head has flourished for years) but certainly the largest. It is aimed very much at the market that might have celebrated at the Talk of the Town and the closure of that institution last week must be the best augury for the new venture.

It may not have the pretentions towards glamour of the Talk of the Town but the Astoria has a sizeable edge on cheapness—tickets are from £10 to £15 each—and the main courses, cuts from roasts which are queued for like school dinners, are a great improvement. The starters were depressing and the white wine served warm; the tables are packed closely together and sitting twisted in a hardish chair to see the stage is not heaven, but cheerful waitresses and a bright, brassy, atmosphere make the restaurant part of the venture quite acceptable.

The opening production, *Wild Wild Women*, is described as a "fun musical," which suggests that it would be unkind to take it too seriously. It has a large stage on which a substantial company can ham it up to their hearts content, nudging and winking at the audience like chorus girls as they cheerfully serve up every cliche you wished you had never remembered about the American West—repeating them regularly so that even the most retarded members of the audience who, it must be presumed, will often be paying their first visit to a theatre, will get the point.

By these standards it is a cheerful enough romp, with some of the songs, like "The Vow" and "Peaceable Haven," having merit. The cast seemed uncertain on how far they might go in sending the whole farrago up but Susannah Fellows got it about right as the Lysystrata clone who organises a sex strike to cut down on the gun fights in town and Steve Devereaux was the acceptable face of over-acting as the law man.

Leonard Burt

A scene from Wild, Wild Women

Wild Wild Women began at the Orange Tree Richmond and was probably fun as a Christmas romp on a small stage. The book and lyrics are by Michael Richmond and the music by Nola York. It is on the long side for a cabaret, made longer by the pudding interval between the acts, but after its jolly inanities the hyperactive among the audience can maintain the party spirit with dancing to a disco. The Astoria is decidedly different; will appeal to many people; and is good value. *Wild Wild Women* looks like an end of season release of spirits by a rep company that has been overdoing it on the Agatha Christies. The place and the performance make for an oddly flavoured but not unpleasant evening.

Australian Dance Theatre

Clement Crisp

The Australian Dance Theatre comes to Sadler's Wells, with the good reputation it earned at the Edinburgh Festival in 1980. It is a company formed five years ago from the relics of two earlier troupes; its director, Jonathan Taylor, was a distinguished member of the Ballet Rambert, and it is easy to see links, in Tuesday's opening performance, with the Rambert ideal.

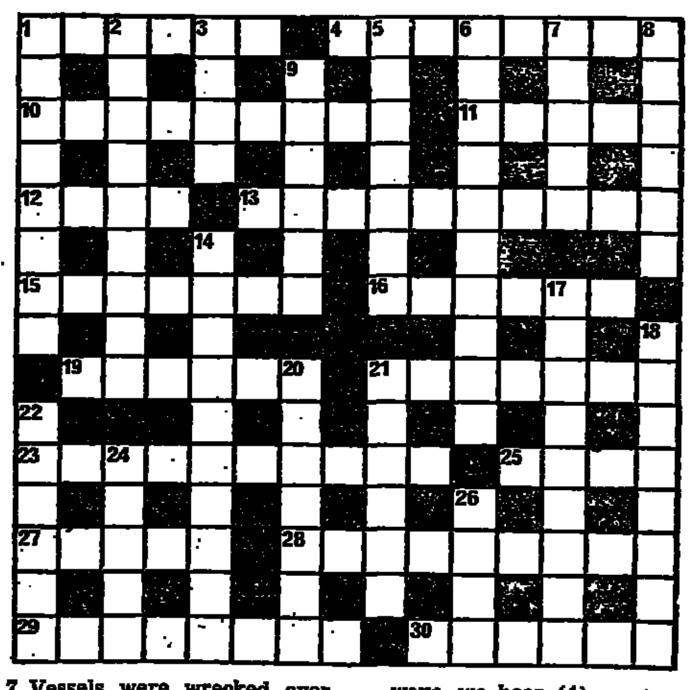
The opening *Labyrinth* by Christopher Bruce is the statutory "modern" item, set to Subotnik's electronic score *The Wild Bull*, used by Glen Tetley for *Arena*, and seeming heavily indebted in manner to Tetley works of the early 1970s, and thus rather dated. It offers oblique commentary upon the Athenian sacrifice to the minotaur, and is unexceptionable, and well danced. The succeeding *Broken Head* is a dreadful item, aiming at social commentary and serving merely as the kind of "local colour" so dear to the choreographers of the 19th century. Instead of quaint Scots or exotic Hindus, Jonathan Taylor gives us the dustbins of an urban waste-land and the alienated and aimless young, who curse and rage and are pathetic. It is an innocuous exercise, except for its abominable score, and entirely unnecessary.

It is followed — mid-programme—by what must be the company's closing ballet. This is Mr Taylor's *Flibbertigibbet*.

I record my own deep revulsion to clowns, to whey-faced caperings among the audience, and to funny hats and white painter's overalls covered with patches, and record also that the public was in tucks of laughter, and that one dancer—I think Margaret Wilson—was hugely funny as a girl who is eager to show us her tap steps.

Miss Wilson also appeared in the most considerable and final piece of the evening, Mr Taylor's *Transfigured Night*, in which her emotional power and the quick flow of her dancing, and that of her partner Ronald van den Bergh, were admirable.

F.T. CROSSWORD PUZZLE No. 4,899



ACROSS

1 Private papers destroyed (6)
4 and 18 down Many difficulties caused by the affluent society? (8, 2, 6)
10 Such actions are rarely offensive (9)
11 Work-time entertainment (5)
12 False witness who turns to abuse (4)
13 It's not bound to sell (5, 5)
15 Clothing strike? (7)
16 Mount, perhaps, and start on a journey (3, 3)
19 A better method? (6)
21 Stand before the speaker (7)
23 Dramatic trials (10)
25 Stygian fare (4)
27 Where the goat goes without corn (5)
28 Where pirates flourished, mostly (2, 3, 4)
29 Its speed is changed to prevent a head-on collision (4-4)
30 Holiday when one is not at one's best (3, 3)

DOWN

1 It's put on for service (8)
2 Actor involved in the drama is aiming to please (9)
3 Side having the advantage (4)
5 Colours blended in Dresden (7)
6 Witchcraft? (10)
7 Vessels were wrecked over the South (5)
8 A meeting that seeks spiritual guidance (6)
9 Get together and tuck in (6)
14 Late items for the press (10)
17 What the crew will expect to get above the water (9)
18 See 4 across
20 Go off at the wrong time (7)
21 I get involved with tall love story (6)
22 Summary of new prices (6)
24 He'd put in little work, yet had expectations (5)
26 One bound on a crest of a wave, we hear (4)

Solution to Puzzle No. 4,898

S	C	R	I	P	T	U	R	E	■	C	R	I	M	P
A	■	I	■	R	■	T	■	V	■	A	■	N	■	L
L	A	N	C	E	■	T	R	A	N	S	E	N	N	A
A	■	G	■	C	■	E	■	N	■	T	■	E	■	S
D	I	S	C	O	U	R	A	G	E	■	G	R	I	T
■	■	I	■	C	■	E	■	E	■	S	■	■	■	E
R	U	D	D	I	E	R	■	L	U	C	I	F	E	R
E	■	E	■	O	■	■	■	■	■	R	■	A	■	E
A	G	R	O	U	N	D	■	A	L	I	E	N	E	D
D	■	■	■	S	■	E	■	S	■	M	■	D	■	■
M	I	T	E	■	S	M	O	K	E	S	T	A	C	K
U	■	E	■	F	■	O	■	A	■	H	■	N	■	O
S	I	N	G	L	E	T	O	N	■	A	U	G	U	R
I	■	S	■	A	■	I	■	C	■	N	■	L	■	A
C	H	E	A	T	■	C	H	E	C	K	R	E	I	N

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Thursday June 17 1982

How to finance the Chunnel

THE BUILDING of a fixed Channel link is not an idea that sits comfortably with the ideology of the present Conservative Government. Nor does it have much appeal for the Treasury, in whose collective memory the cost of past collaborative adventures such as Concorde lingers on. The report of the Anglo-French study group, which was set up after last year's summit meeting to look at the technical and economic aspects of a fixed Channel link, should at least lay some of these fears to rest.

Phasing

Broadly, the group argues that the balance of advantage as between exclusive reliance on shipping and air transport, bridges, immersed tube tunnels for rail and road traffic and rail tunnels beneath the channel lies with a bored 7 metre twin rail tunnel with a vehicle shuttle. This could be built in phases if finance constraints made phasing desirable. A twin rail tunnel would have about four times the capacity of a single 7 metre tunnel and its viability would require it to achieve a half share of the estimated passenger and freight traffic up to the year 2000.

The case rests partly on an analysis of the economic rate of return on the various schemes. This compared the resource costs of the fixed link options with the costs that would be incurred by the existing ferry and air transport in carrying the forecast link traffic and set out to establish whether the higher capital investment in a Channel link would show an adequate economic return.

Admittedly the results are highly sensitive to uncertain assumptions, particularly those relating to the level of future ferry operating costs and the amount of traffic that would use a fixed link. But the study group concludes that while the ferry services will become more efficient they will not achieve the reductions in unit costs that they claim and will not succeed in reducing tariffs to the extent that they assume. And on the basis of the assumptions in a fairly plausible central case, the group estimates that the economic rate of return on the double seven-metre tunnel with the vehicle shuttle offers a relatively high return which exceeds the return required for public sector investments in both countries.

The longer-shot proposals involving drive-through links show marginally higher returns than the tunnel schemes, but there are much greater uncertainties about feasibility and cost. They would in addition take much longer to get under way. As for the British Rail/SNCF proposal for a small 6 metre rail only tunnel (the so-called "mousehole") the report concludes that the lack of flexibility is such that it would be difficult to finance without transferring an unacceptably high proportion of the risk to the railway undertakings themselves.

The key to the future of a cross-Channel link has always been finance. This did not fall within the direct scope of the report. But it does suggest that any decision to proceed in principle with a fixed link must be subject to the ability of the market to raise money on terms acceptable to both governments. The question is whether it can be done without government guarantees.

The proposal now is that the Government should examine the question in a further study. This should address itself to a fundamental chicken and egg problem. Without some broad assurance that both governments will not upset underlying financial assumption (for example, on pricing) in a project that gives rise to numerous environmental and other problems, financiers can hardly be expected to jump at the fixed link.

Private sector

It is eminently sensible for the Government to put the Channel link to the test in the financial markets. Without unguaranteed private sector finance there is a risk that the project would be under constant threat from a cost-conscious official in the Treasury or Ministère des Finances (with potentially unhappy consequences for Anglo-French relations, among other things). But it is important also to recognise that the project is so big and complex that it cannot be undertaken unless the Government is willing to smooth the path.

In the afterglow of the Anglo-French summit last September Mrs Thatcher showed an uncharacteristic enthuisasm for the Channeli link. She should now ensure that the market is given a fair opportunity to reach its own conclusions.

A blind alley in Indochina

YET ANOTHER meeting of the Association of South East Asian Nations has concluded without a new initiative to bring about a withdrawal of the Vietnamese army from Kampuchea. Cushioned by their economic prosperity, which has withstood the onslaught of the world recession better than most, the Asean countries are playing a waiting game hoping that Hanoi, weakened by hunger and economic siege, will take the first step towards the inevitable compromise.

They no doubt hope that Vietnam will take that step when Mr Nguyen Co Thach, its canny Foreign Minister, visits Singapore and the Philippines next month. "We can wait" seems to be the attitude among Asean's foreign ministers who have just ended a meeting in Singapore.

Deposed

This is probably the right approach, at least until Asean hears what Mr Thatch has to say. His recent pronouncements, both on the record and privately on his tour of several European capitals earlier this year, suggest that Vietnam is now anxious to find a way out of a situation which is becoming increasingly costly and more difficult to justify to its own people after 35 unremitting years of war. But Asean should also be clear about the realities in Indochina, about what it can realistically hope to extract from Vietnam in the way of concessions and what, for Hanoi, are the sticking points which it will hold to at all costs.

The first point to be made is that, three years after Vietnamese troops invaded Kampuchea, deposed Pol Pot and the Khmer Rouge and installed their own man, Heng Samrin, all efforts to dislodge them have failed. The assertion that the Khmer Rouge control vast tracts of Kampuchean territory is fiction. The Khmer Rouge are still troublesome and Heng Samrin would almost certainly falter if he did not have nearly 200,000 Vietnamese troops to bolster him. But the Vietnamese now have the measure of the Khmer Rouge.

The second reality is that the coalition which Asean has been painfully trying to forge between the Khmer Rouge and the other two, non-Communist Khmer groups in exile can never be the basis of a future administration in Phnom Penh. The Kampucheans may not be particularly happy at the presence of Vietnamese troops, but if they are united over one issue, it is in the opposition to Pol Pot who, in four years, devastated their country.

Long-term

Finally it should now be clear that Vietnam will only withdraw the bulk of its troops from Kampuchea when Hanoi's primacy over Indo-China is accepted.

What then can Asean do, assuming that it see a long-term benefit in arriving at a *modus vivendi* with Vietnam? Its first priority could be to establish the principle that there can be no military solution to the Kampuchean conflict, only a political one. That almost certainly means phasing out Asean's support for Pol Pot both on the battlefield and at the UN, support which is becoming increasingly hard to justify—if only on moral grounds.

Asean could then consider supporting the "vacant seat" formula at the UN in which neither Pol Pot nor Heng Samrin would represent Kampuchea, pending implementation of the resolution which calls for full withdrawal of Vietnamese troops and free elections. The Vietnamese have already indicated they will accept a temporary vacant seat. Lastly Asean could try to persuade Peking that an accommodation with Vietnam on terms which safeguard their respective interests will be good for China as well as laying the basis of regional stability.

Alternative

None of this will be easy to achieve, least of all dropping support for Pol Pot whose forces on the Thai border are a constant threat to Thailand's stability. Opposition from China, which has yet to come to terms with Vietnam's new status in the region, is likely to be fierce. It is a process which might take years.

The alternative, however, is to pursue a policy which is not only getting nowhere but which also provides Hanoi with the perfect excuse to maintain its troops indefinitely in Kampuchea and create a permanent state of tension in the region.

"I work very hard. When I go home at night my feet ache and I'm absolutely beat. It's not only the work, but the heat and you aren't allowed to drink on the wards. The reaction from your supervisor is 'too bad, if you don't like it, leave'. But I'm not going to leave. I come out to work and I think I should get paid a decent living wage."

Ian Hargreaves discovers why Britain's health workers are in angry mood.

THERE YOU have it: that is what the worsening dispute in the health service is about. The Government says that with 3m people out of work, there would be no shortage of takers for the non-skilled jobs in Britain's hospitals and uses the point to justify a "market" approach to its pay policy.

It is also a matter of public relations. The Government has offered 6.4 per cent to the nurses and hinted there may be more to come. But when it comes to ancillary workers—the 500,000 men and women who push trolleys, serve meals, clean floors and keep the books of the nation's hospitals, the Government knows the foe is weak and has offered 4 per cent. Nobody loves an ancillary worker and if the nurses could be made happy, the hospital administrators would be encouraged to bring in volunteers to break any strike by the ancillaries. After all, anyone can do these jobs, can't they?

These are the circumstances, or some of them, which have made a militant of Mary McDermott, a strong-featured and tough-minded blonde lady who serves meals and performs other domestic duties in the new wing of St George's Hospital, Tooting.

Hospital porter Mick Foster: it "matters like hell"

Hugh Routledge

Divorced from her American husband, who under the laws of the State of New Jersey is not required to pay alimony, Miss McDermott lives with her teenage daughter in part of a small terrace house in the anonymous Victorian backstreets of Wandsworth, which she rents from the Battersea Housing Trust.

Three weeks out of four, her pay slip reads like this: basic pay £64.20; lead-in pay (for a productivity-based bonus system which has been under negotiation for several years) (1.50; London Weighting £11.28: total gross wage £76.98. Deductions: income tax £7.80; superannuation (which is obligatory) £3.77; national insurance £5.55; staff club and dues to the National Union of Public Employees (NUPE) £0.45. Net pay: £59.41.

In the fourth week, Miss McDermott works a "rota week," which means she gets to work at the weekend and her net pay is boosted to £70.82.

In addition to her pay, she is entitled to one-parent family child benefit of £8.55 and her daughter, who is doing a catering course at Thames College, gets a student grant of £3.46 per week. So, her total weekly income, averaged out over the month, is £74.21. If she was unemployed and on supplementary benefit, she would probably get about £55 a week with the possibility of other means tested benefits too. Mary McDermott's family is excluded from means-tested benefits because her £74.21 a week is just 22 pence above the official "poverty line" for a family of this type. Some estimates suggest that as many as 400,000 health service workers are on or around this poverty line.

This, she says, is where the money goes: rent £16; gas (for heating and water) £5; electricity £5; bus fares £8; lunch and coffee at work £4; daughter's college lunches £5; TV rental and licence £4; Burlington mail-order clothing club £6; laundry £2.50; food £15; life insurance £3.40; telephone £4. Total: £77.90. On these figures Mary McDermott is bust.

The food bill, she thinks, "sounds a lot, but that's what it costs, and we have been cutting down." She shops late night on Fridays at the Wandsworth Arndale Centre, shuttling between Tesco's and Sainsbury's in the hunt for lower prices.

Her telephone, she agrees, would be considered by some a luxury, but she wants it for emergencies and the life insurance, "is in case something happens to me, at least my daughter will have something. At least I'll be buried."

The scrape of the moment was the gas bill

After a work day from 7 am to 4 pm, she does her housework, reads the Daily Express and watches television. Other entertainment is "absolutely nil. I don't go out because I can't afford it, except for the odd drink with the girls from work." She takes no holidays, apart from occasional day trips, and manages her financial survival through a Barclay's current account, which at the beginning of this week contained £10.52, which is a problem, because she has to find £46 for a television licence which expires this month.

"Unless I cut down on something, which obviously will have to be food, I'll not be able to pay it."

Before that, the scrape of the moment was the gas bill, where a mix-up over a weekly payments arrangement on a £70 bill led to a "brown notice" threat to force entry in order to cut off supply. That "horribly high" bill was racked up in spite of a wintertime ruling in the McDermott household that no heating was to be switched on before 8 o'clock in the evening.

Miss McDermott's other tension is with a daughter, who like most teenagers, does not adapt easily to parsimony. "It causes a lot of arguments and heated words. She can't understand why she should be going out with £1 in her pocket when she has friends who are working."

It would be wrong, however, to create the impression that Mary McDermott, or the other health workers who earn their poverty, flaunt a sense of desperation. Indeed, life below the poverty line in Britain is more about tedium than hunger and more still about a sense of powerlessness to change things and improve your lot as you look ahead.

Here, the overtime argument is crucial. When Miss McDermott, arrived at St George's two years ago, overtime could be counted on to finance touches of luxury and self-indulgence, as well as providing a means of earning yourself out of trouble. Since the "winter of discontent" health dispute of 1979, manning levels have been raised in the hospitals—as the Government keeps pointing out—but that has reduced opportunities for overtime. It is hardly suprising that low paid workers seek both rewards and other satisfactions in the black economy.

"I have been given the chance for overtime three times since Christmas," says Miss McDermott. Oother avenues for extra income, like a holiday job for her daughter, have been closed by mass unemployment "except for those silly YOP schemes." Down at St George's, the Government's Youth Opportunities Programme, which provides work experience for unemployed school leavers for £25 a week, is regarded as cheap labour designed to block the creation of real, full-pay jobs or overtime. "They bring in the YOP kids to work Saturdays so they don't have to pay us time and a half," she says.

From the other end of the pay spectrum at St George's comes more fuel for the ancillary workers' sense of injustice. According to an allegedly leaked document which has circulated among the kitchens and storerooms where the domestics work, the health service reorganisation in April resulted not only in "fancy new titles" but also pay increases of 60 per cent for some administrators. Amid the humiliating sense of hierarchy common to most British hospitals, it makes little difference whether such stories are true or false. "When we're sick and go down to casualty, we get kept waiting for hours, but if a nurse comes, she waltzes straight in," says Mick Foster, a porter and another Nupe activist at St Thomas's hospital.

Mr Foster, at 20, hardly has the budget tightrope of a Mary McDermott, but he says it "matters like hell" to him that he cannot afford to leave his family's three-bedroom flat in Lambeth and set up his own place, in part because his income helps to support the rest of the family. His father lost his job when the London Evening News closed two years ago, his mother recently lost her part-time cleaning job and his older sister lost a clerical job when he company re-located outside London. The Fosters also have a daughter still at school.

Marriage coupled with owner occupation is out of the question for even a top grade hospital porter in London, where the average house costs £30,000 and the maximum mortgage a porter could raise would be around £12,500.

Everyone comments on the unique degree of co-operation

Other cases sound much worse. Jimmy, a tea-machine operator at St George's, who did not wish to be interviewed, has three children and net pay of less than £50 per week. Mrs Joan Gibbins, a domestic in out-patients, shows a payslip for a 40-hour week which has a bottom line of £40.06, which sounds impossible. But she also gets a widow's pension of £30 a week, which means she pays £20.40 a week in income tax, ensuring that she too is part of the great levelling principle which operates with remorseless efficiency in the bottom quarter of Britain's labour market.

It is never easy to judge how far people will carry a fight even one they believe to be just. Everyone comments on the unique degree of co-operation being shown between the various health service unions and they sense support too from their bosses, the hospital management. But many are genuinely worried about the dangers to patients of stepping up the action. "We live around here. It could be one of our family in here. We don't want to hurt patients," says Mrs Gibbins.

But if the militancy is hard to gauge, the bitterness is not. "Mrs Thatcher probably spends more in a week on her hair than we earn," says Mrs Gibbins.

Miss McDermott, however, admits to having voted Conservative in the last election because "the country was going downhill. More money was being spent than there was in the kitty and sooner or later there would be none in the kitty."

Mr Norman Fowler, the Health and Social Services Secretary, whose job it is to hold the line on 4 per cent would approve of that argument, but Miss McDermott believes the Government's economic policy "has got to the point where it's dangerous." It is hard to detect anywhere, however, signs that the revulsion against Mrs Thatcher's policies is resulting in more popularity for her rivals. "Politicians just don't realise how ordinary people live and what we have to manage on," she says.

Perhaps it is lack of confidence in politicians and in public opinion too which mutes the response when ancillary workers are asked whether they can win this dispute.

At the moment, they are taking the view that the 4 per cent offer is an insult because it is divisive and that it is irrelevant financially. "It will mean an extra 73 pence a week for me," says Miss McDermott, or two days of the recent increase in London bus fares. Actually, that statement relies somewhat on Nupe propaganda, since grade three domestics of which she is one, would get £2.57 gross or £1.56 after stoppages. Nupe knocks off another 70p to allow for the increase in National Insurance rates from April 1, when, technically, the old contract expired, leaving 85p.

As for Mrs Thatcher's argument, that inflation is abating, that does not cut much ice in Tooting. Increases in transport and gas prices are most often cited as evidence of "real" inflation and it is true that the increase in the retail price index weighted to reflect the mix of goods used by the poorest quarter of the population (as calculated by the Low Pay Unit) rose by 14.4 per cent (against 12.2 per cent for the ordinary RPI) last year.

Men & Matters

Beavering away in Brum

"This scheme has hit the bulls eye," says the affable John MacGregor, Parliamentary under secretary at the Department of Industry. The small engineering firms investment scheme, under which entrepreneurs can claim a capital grant of one third of the cost of a project, has had an unprecedented response. Originally allocated £20m and subsequently stretched to £30m the scheme attracted well over 1,700 claimants in just two months.

Queues disrupted the normal tranquility on the seventh floor at Ladywood House, the Birmingham office of the Department chosen to administer the hand-outs: there were 432 applicants on the day the scheme closed.

MacGregor good-naturedly rebuts suggestions that his department might have been over-generous or too interventionist for a Government pledged to market forces. He points to the boost given to investment and new technology.

The Department deliberately made the criteria and forms for the scheme simple. Unfortunately, around half the claims have still been inadequately returned and civil servants are having to chase around with supplementary questions.

One of the Department's regional directors Cyril Beavor—"I have a reputation for being an eager beaver," he jokes—spends 60 hours a week on the scheme. Other civil servants are lending a hand and temporary staff is being recruited, but it will be several months before the current backlog has been processed.

On requests for an extension of the scheme, MacGregor says it would be "wrong" to put such an idea in people's minds. But—with caution befitting a junior minister—he studiously avoids ruling it out. The message for anxious applicants in the meantime is "don't call us, we'll call you."

First sitting

One of the world's lesser-known judicial bodies, the Falkland Islands Court of Appeal, surfaced on the Royal Courts of Justice yesterday, to hear a challenge by one of the islanders to his conviction of murder.

There was some doubt among those connected with yesterday's case about whether the court, created by an Order in Council in 1965, had ever sat before.

Yesterday's appeal was presided over by Sir Alastair Forbes, who has been President of the Courts of Appeal for St Helena, the Falklands and the British Antarctic Territories since 1965 and Gibraltar since 1970.

Sitting with him were Sir Hugh Hurley, a former colonial judge, and Sir Lionel Brett, a former Nigerian Supreme Court judge.

The islands have a courts system not unlike Britain's. At the lower end are the courts of summary jurisdiction, one staffed by lay magistrates, the other being the Senior Magistrate's Court—he having the power to impose prison sentences of up to seven years.

Incidentally, the islands have no senior magistrate at present. The last incumbent retired on March 31 and circumstances have prevented the appointment of his succesor.

Above the magistrates is the Supreme Court. The judge is Sir Peter Watkin Williams, but he lives in England and goes to the islands only for important cases. In his absence the Governor can sit as a judge, or appoint someone else, who is likely to be the court registrar, Mr Raymond Checkley.

Mr Checkley, being the only lawyer in the islands, has a varied life. Not only a solicitor, court registrar and occasional judge, he is also the islands' Registrar General, recording births, deaths and marriages. At the moment he is also the acting Senior Magistrate (in absentia).

He told me yesterday that there is not a lot of crime among the 1,800 kelpers — "a bit of drunkenness, some road traffic offences and a few minor assaults"—was how he summed it up.

Billet doux

"Madame, you have written to me . . . I wish to say thank you, and would most like to remain in correspondence with you to exchange our thoughts and prepare the future . . . Your letters show understanding, but also a deep wound. They are in keeping with what I feel myself . . . ."

These titillating extracts convey the tone of a letter that arrived at the FT's Paris office yesterday. It goes on for three pages, and is signed—"Valery Giscard d'Estaing." A wrong address? But no, it is addressed quite clearly to "Madame The Financial Times." Well, he was always a lady's man, they say.

The same letter has been sent to other potential conquests of the former French President. The less risque passages urge them to take part in a "great preparation effort" to get the centre-right opposition back on the road to power and to put forward "just and reasonable" remedies to the woes of socialism.

In edifying tones, "Giscard" concludes: "Because we will have had to start from the bottom and work in depth, because we will have listened to the aspirations and needs of each one of you, I am confident, fully confident, that from these difficult times a renaissance will spring.

"Thank you again for having written to me. It needed doing."

And Madame The Financial Times? Well if she has written to anybody, she hasn't told Monsieur.

Points of view

The Portuguese Parliament is apparently finding it very difficult to keep its mind on constitutional reforms with the World Cup football games going on next door in Spain.

Just to ensure that the 250 MPs stay in the building to complete the urgent review, colour TV sets have been installed in the parliamentary offices of all eight political parties.

If such measures had not been taken, it was dourly admitted, there would have been severe problems in rustling up a quorum during the afternoon and evening hours when the sparring for points across the border proves more fascinating than scoring them in the debate.

The Portuguese team did not qualify for the final rounds. But that does not seem to have diminished the avid interest in the contest. All flights from Lisbon to Madrid and other Spanish cities are booked solid for weeks.

At least, says my less-than-enraptured reporter, Portugal does not yet follow the Brazilian custom of letting off firecrackers or rockets every time a favoured team scores, sorely frightening not only the four-footed population but foreign correspondents who associate loud bangs with more deadly events.

Filled?

For those who have yet to learn which side of their bread is buttered . . . Oxford Polytechnic is running a sandwich course in hotel catering.

Observer

U.S. ANTI-TRUST POLICY

The all-purpose merger gauge

By Anatole Kaletsky in Washington

HARDHEADED practical men in Europe will no doubt sneer at the new guidelines on merger policy issued on Monday by the U.S. Justice Department. In Britain, particularly, people baulk at the idea of turning a vague concept such as market power into a single, unambiguous statistic.

It would be hard to imagine politicians and civil servants in Britain voluntarily giving up their power to make subjective judgements about an important subject like whether or not to permit a merger — and still harder to imagine the politicians' discretion being replaced by the dictatorship of the statistician.

Imagine a politician telling a trade union delegation that its employer cannot be protected from a predatory take-over because the squares of the market shares in his industry add up to less than 1,000. Yet in the U.S. this figure will, from this week onwards, become the basis for making judgments affecting thousands of jobs as well as millions of dollars.

In Britain the Justice Department's new merger guidelines would be denounced immediately as a boffins' charter. In fact, however, their purpose is to take work away from the lawyers, bankers, analysts, and assorted other experts who thrive on uncertainty about any government's approach to mergers.

The main point of publishing the new rules is to give businesses the opportunity to pursue profitable and competitively innocuous mergers with greater confidence than before. The Justice Department says that the new rules do not alter existing policy. They merely codify it and "indicate regions of safety" in which companies can operate without looking over their shoulders for the Justice Department to pounce.

Of course, under the U.S. anti-trust system, it is not for the Justice Department alone to determine which mergers are challenged in the courts. Individuals and companies can bring private prosecutions (and often do, in the case of companies fighting unwelcome suitors).

Furthermore, the Federal Trade Commission sets its own independent anti-trust policies. The FTC indicated on Monday, however, that it would follow criteria broadly similar to those the Department laid down.

In removing uncertainty, the Justice Department was unwilling to return to the guidelines published in 1968, which gave relatively simple statistical rules for deciding whether a horizontal merger between two companies in the same market, would be challenged.

For example, if the four biggest companies controlled 75 per cent of the market, the Justice Department said it would even challenge mergers between two companies with market shares of 4 per cent each.

At times such mergers could increase competition, rather than reducing it—if, for example, two very small companies in a market dominated by giants needed to team up in order to survive. As a result of anomalies like this the 1968 merger guidelines fell rapidly into disuse.

There was a further, deeper problem, about the 1968 rules, says the Assistant Attorney General for Anti-Trust policy, Mr William Baxter. They were far too vague about defining the markets in which merging companies operate.

If there are only two companies making red pencils in Ohio, for example, a merger would create a monopoly. But does this matter if there are 10 other companies which make red pencils in Indiana or blue pencils in Ohio, each of which could be attracted into the new monopolies market if it raised prices or otherwise abused its power? Such questions arise frequently in merger policy—for example, when Mobil Oil was trying to buy Marathon Oil last year it had to promise to sell off oil refineries in the Detroit area, where the two companies had a much higher market share between them than they had in the U.S. as a whole.

Thus, before it gets to the new quantitative merger guidelines, the 44-page document issued on Monday by the Justice Department discusses how the relevant market is to be defined. Without this definition "the rest is meaningless," Mr Baxter warns.

Geographical location, transportation costs, availability of other products with similar applications are all taken into account. Behind the analysis and examples there is a single unifying idea. A relevant market is one which could, in principle, be profitably monopolised.

Once the market is defined, the next step is to look at the way it is split up between companies. This is where the most novel feature of the new approach comes in—an index of market concentration known as the Herfindahl-Hirshman Index (HHI) after the two statisticians who devised it. Economists have argued for some time that this gives a better reflection of market power than the simpler statistics normally used by government.

Instead of merely measuring the share of the market held by the top four companies, in the manner of the 1968 guidelines (and of anti-trust authorities in many other countries) the HHI takes into account the dispersion of market power for all companies in the market, large and small (see panel).

The justice department believes that this computation provides a much better reflection of the true competitive conditions in a market than the old four-company concentration. With this more sophisticated tool, Anti-trust officials believe they will be able to avoid the pitfalls and anomalies which rapidly made the 1968 guidelines obsolete.

The department divides all markets into three groups on the basis of the HHI. An unconcentrated market has an HHI of 1,000 or less. If, for example, there are ten companies with 10 per cent market shares each, the HHI would be 1,000. Any mergers which create markets with an HHI of less than 1,000 are "unlikely to be challenged."

A highly concentrated market has an HHI of 1,800 or more. Any market in which two companies each have shares of over 30 per cent falls into this group. In such a market mergers which increase the HHI by more than 100 points are "likely" to be challenged, while mergers producing increases of less than 50 points would normally be allowed. Because of the way the HHI is calculated this permits two small companies (that is with market shares of less than 5 per cent each) to get together even in a "highly concentrated market." But it prevents any significant acquisitions by the dominant firms. A firm with a 50 per cent market share would boost the HHI by more than 100 even if it took over another firm with a share of only 1 per cent.

The new guidelines were used earlier this week when the Department blocked a bid by Heileman Brewing, with 7.6 per cent of the beer market, for Pabst, with a 7.4 per cent share. It found that this would increase the HHI by 12 points from 1,722 to 1,834.

Between the unconcentrated and the highly concentrated markets lies the inevitable grey area: the "moderately concentrated" zone with HHI of between 1,000 and 1,800. In such markets other, more subjective criteria come into play. The guidelines give a long list and explanation of such factors as ease of entry, availability of substitutes, and evidence of collusive arrangements.

Even in such cases, however, alleged efficiencies resulting from a merger are unlikely to cut much ice. U.S. anti-trust law has a long tradition of scepticism on this point. "Plausible efficiencies are far easier to allege than to prove," the guidelines say. "Except in extraordinary cases, the Department will not consider a claim of specific efficiencies as a mitigating factor for a merger that would otherwise be challenged."

Unfortunately on "non-horizontal" mergers—between companies in different industries or markets (including foreign companies taking over American ones), uncertainty about merger policy is much harder to overcome. But one misconception the guidelines do clear up is the idea that the Reagan administration is completely permissive about such mergers. Because they involve companies in unconnected industries they cannot be attacked on the simple anti-trust criterion of increasing market concentration.

In its early days the Reagan administration was critical of the "creative lawyering" used by previous anti-trust enforcers to find new theories for attacking such mergers. When a takeover of the oil company Conoco by the chemical giant Du Pont went unchallenged last year, there was a widespread belief that all such non-horizontal mergers might be safe.

The guidelines state that "although non-horizontal mergers are less likely than horizontal mergers to create competitive problems, they are not invariably innocuous."

HOW THE NEW U.S. MERGER INDEX WORKS

THE HERFINDAHL-Hirshman Index, just adopted by the U.S. Justice Department, gives a very different view of market power than the measuring device it supercedes—the four-firm concentration ratio.

The concentration ratio measures the share of a market held by its four leading companies. This can produce some curious results.

For example, a market in which one company controls 70 per cent and overshadows 30 firms with 1 per cent each is probably less competitive than a market in which there are four firms with 20 per cent each, plus 20 small firms with one per cent each. Yet the market share of the top four firms is lower in the first case (73 per cent) than in the second (80 per cent).

The HHI gives a markedly different result. It takes the square of each company's market share (for example a 70 per cent share would give a square of 4900) and adds up all these squares. In the first example, the HHI would be 4,930 (4,900 plus 30 times one). In the second market it would be 1,620. (The square of 20 is 400. Thus the four firms with market shares of 20 each add up to an HHI of 1,600. The other 20 firms with market shares of one per cent each, add 20 points to the HHI.)

Lombard

How W. Germans see detente

By Jonathan Carr in Bonn

AFTER THE snow of reassuring statements, declarations and position papers which fluttered down from the Nato summit conference in Bonn, at least two question marks remain. Would the West Germans really stand and fight if it came to an East-West showdown? And will the U.S. really negotiate seriously with the Russians on weapons cuts?

It is hard to believe that the first question did not flash into President Ronald Reagan's mind during his visit to Bonn and West Berlin. True, recent opinion polls show the majority of West Germans are not anti-American. But to the President it must have seemed a discouragingly large minority (300,000 or so) which turned up in Bonn to demonstrate against him.

The West Berliners have long shown steadfastness in a harsh situation. But must he, the President of the U.S., the main guarantor of the freedom of the city, be whisked about for the most part by helicopter because of fears of attack on the ground? Mr Reagan would scarcely have been human if he had not, even fleetingly, compared his treatment in West Berlin (despite the warm words of the governing mayor) with that given John F. Kennedy there two decades earlier.

Perhaps Mr Reagan may also have heard the little riddle going the rounds in Bonn during the Nato gathering. What is the difference between "detente" and "genuine detente?" Answer: "detente" is what benefits the West Germans and points East. "Genuine detente" is what the rest of the Western Alliance is still hoping for. It is a bitter observation. But if there are no such fears about the Germans within the Alliance, then what was the word "genuine" doing before "detente" in the final declaration?

There is only one sure way to find out whether the West Germans would stand and fight in an East-West crisis—and it is hardly one which anybody would care to see tested. The charitable, but I think also the just, answer is that the Germans gained such a deep antipathy towards armed conflict of any kind, anywhere, after two world wars, that they feel impelled to treat the Soviet superpower with special caution since they are, in effect, living on its borders; and that they have a special stake in close contacts with the East above all because of their divided country.

All that said, it would surely be as unwise to underestimate the German will to resist aggression as it was foolish of General Galtieri to believe — apparently — that the British would not be ready to use force to recover the Falkland Islands if other means failed.

So far—so reassuring! But even if the West Germans would resist armed attack, are they also ready to make the extra sacrifices which may be needed to restore an East-West nuclear balance? Specifically, would they really be prepared to have American-built intermediate-range nuclear missiles deployed on their territory (which is already packed with nuclear weapons of many kinds) from the end of next year, if superpower talks in the meantime come to nothing?

That brings us to the second question about whether the U.S. will negotiate with Moscow in good faith—and, at least as important, be seen to do so. If it could be made absolutely clear to the West German people that a failure in the Geneva talks was wholly the fault of the Soviet side, that Washington had negotiated firmly but fairly while Moscow had stalled and blustered, then deployment would go ahead. It would be accepted by the Germans with heavy hearts and foreboding—and probably with demonstrations which would make the current turn-outs look puny by comparison. But the missiles would come.

The problem is: could Moscow's responsibility for failure be made plain to a public baffled by the jargon of the arms race and bound to be subject to a Soviet propaganda blast of unequalled strength and scope? The Americans, like the Germans with their "Ostpolitik," have a credibility gap. They now bear a fateful responsibility not just, as Mr Reagan says, to "negotiate and negotiate and negotiate" but to explain over and over again what they are doing and why.

Letters to the Editor

Selling-off publicly owned land: reserves needed

From the Managing Director, Commercial Relocation Consultants.

Sir,—I was interested to read (June 11) that it is the Government's intention to dispose of large amounts of publicly owned land.

In all locations the relevant Government body should reserve one-third of the total holding for sale to user industries while disposing of two-thirds in the usual way to developers. This would allow speculative development to proceed thereby providing advance space for companies which need to expand quickly, but which do not have particularly unusual requirements.

The remaining third would be held in reserve for companies whose policy it is to acquire only freehold property; and those whose property is of special operational design and involves, for example, low site density with a high proportion of external paved areas.

It is very difficult for developers to make a profit on schemes of abnormally low site coverage combined with unusually high building costs, so it is better for the economy as a whole if these companies are given the opportunity of developing their own "oddball" properties without which they cannot expand.

If disposal of Government-owned land takes place without such control, then once all the land is in the possession of developers the company with the very unusual specification requirement, or the one which must have freehold, has lost once and for all the opportunity to grow within the UK.

M. J. Pritchard,
9 High Street,
Marlow, Bucks.

Contents of the Honours List

From Mr A. Lester, QC.

Sir,—The Queen's birthday awards give symbolic recognition to the public service of outstanding individuals in our society. Unfortunately, this year's list suggests that the Prime Minister and her colleagues and advisers seriously undervalue the contribution made by black and brown Britons and by women in this country.

On my rough count of the Prime Minister's list only one of over 630 has an Asian surname. Of course surnames are inconclusive, but there may well be no one else in the list who is of Asian or Caribbean origin. Certainly no one is specifically honoured for services to race relations.

As regards the treatment of women on the list, my count is as follows:

	Men	Women
Life Peer	2	1
Companion of Honour	1	—
Privy Councillor	3	—
Knight Bachelor	29	—
Order of the Bath		
GCB	1	—
KCB	3	—
CB	19	—
Order of St Michael and St George		
CMG	2	—
Order of the British Empire		
CBE	83	8
OBE	144	30
MBE	212	101
Total	499	140

There are three DBEs, including the fabulous Kiri te Kanawa, from the Commonwealth, but none from this country. Our Parliament contains only two members of Asian and Caribbean origin, both of whom are in the Lords. Women are grossly under-represented in the Commons. It is therefore particularly regrettable that the Government has not taken the opportunity to begin to redress this unfair imbalance by appointing qualified Life Peers.

The unequal treatment of women and ethnic minorities in the Prime Minister's list partly reflects their unequal position in the Civil Service, industry and commerce; partly, but by no means wholly. There are thousands of women and black and brown Britons who deserve public recognition.

Anthony Lester,
2 Hare Court,
Temple, EC4.

Tools of the trade

From the National Secretary, United Commercial Travellers' Association Section, Association of Scientific, Technical and Managerial Staffs

Sir,—Kenneth Gooding in your "Executive cars" supplement (June 15) acknowledges that there are some employees for whom a company-provided car is not a "perk." I will tell you who they are.

This association continues to make direct approaches to the Chancellor of the Exchequer about the inequity of this tax for sales representatives for whom the car is certainly a tool of the trade. These levels are overdue for review, and the tax is too high.

Britain's sales representatives who play an important part in the chain of production and distribution in this country are employed in an extremely dangerous work place — Britain's fast collapsing road system—and after 30,000 miles a year of hard business driving are not looking for week-end joy-riding. No other group of employees is taxed for using their employer's plant and machinery with which they do their jobs.

Sales representatives' expenses of operation are incurred solely at the requirement of their employers in the conduct of their businesses and are, therefore, completely outside the control of the sales representatives themselves. Despite this, these expenses are included by the Inland Revenue in the calculations which decide whether a sales representative pays the tax or not. We are seeking a meeting with the Chancellor of the Exchequer to argue the unassailable case for the removal of this anomaly.

The Chancellor of the Exchequer in seeking to tax company directors and higher paid employees for the use of company cars as a "perk" still continues to ignore the fact that sales representatives are neither company directors, higher paid employees, nor is their company car provided for the purpose of avoiding income tax. The battle continues.

R. Tomlinson.
ASTMS,
Bexton Lane, Knutsford,
Cheshire.

Traded options speculators

From Mr E. Halhead

Sir,—Lex (June 15) comments that the number of speculators in the Traded Options market is woefully inadequate.

As an amateur option player, may I respectfully suggest that this is not due to a lack of publicity and education, but to the odds being heavily in favour of the writers (insurance companies and investment trusts), with time on their side.

Of course, there are huge profits to be made when the speculator gets it right, as with any futures market. The problem, compared with the other markets, is the cost of being wrong, due to the relatively large dealing costs and jobbers spreads making it almost impossible to stop losses at an acceptable level.

I suppose the answer is to be right every time, any suggestions will be gratefully received.

E. N. Halhead.
12b Station Road,
Hest Bank, Lancaster.

The ruin of Lebanon

From Mr M. Arieli

Sir,—I found the logic of your editorial "The ruin of Lebanon" (June 9) hard to follow.

To take Israel's recent action in Lebanon as a benchmark for Jerusalem's imputed policy regarding the West Bank is highly speculative. After all, Israel's assault is easier to justify under the UN Charter as "self-defence" than Britain's recapture of the Falklands. At least in Israel's case, Israeli civilians have been constantly at risk from PLO shelling, something which could hardly be said of the British passport holders on the Falklands.

Furthermore, to allude to Israel's attack as a reason for Lebanon's ruin is far-fetched. With over 100,000 dead in a civil war, which has been raging since 1975, with 30,000 Syrian troops on its soil and a dozen-or-so private armies, poor Lebanon's sovereignty is a highly intangible noun. If Israel's forceful campaign brings the Phalangists to power, and enables a true Lebanese element to re-establish law and order in that beleaguered country, and causes the Syrian troops and the PLO irregulars to move out, why should it be taken as the country's ruin? And how would you describe its condition last month?

M. Arieli.
41, South Eaton Place,
Belgravia, SW1.

Costs of clearing cheques

From Mr A. Whalley

Sir,—I am indebted to Mr Frazer (June 5) for explaining that the widely quoted cheque clearing costs of 40-50p for the major clearing banks covers the costs of both banks involved in a transaction.

Early in 1978 the major clearing banks charged about 15p for clearing a cheque. Inflation in line with the RPI suggests a current charge of about 25p. Yet customers are being asked to pay 50p.

It appears that until recently customers were expected to pay only their own bank's clearing costs. Now, however, they are expected to pay the costs of two banks. In this way the banks are collectively imposing a price increase worth perhaps half a billion pounds a year. Would it be impertinent to ask what additional benefit the customers receive for all this additional money?

Anthony Whalley.
27 Clarence Road,
Windsor, Berkshire.

Good second half lifts Tesco profits to £42.7m

SECOND HALF pre-tax profits of multiple retailer Tesco Stores (Holdings) expanded from £21.8m to £28.1m and lifted the figure for the year ended February 27 1982 to £42.7m, a rise of 22.2 per cent over the £35.6m for the previous 53 weeks.

Action continues to be taken to enhance the group's trading profile which in turn has assisted the launch of Checkout 82. The directors say this was well received with turnover forecasts being achieved—total for the full period was £2.1bn, against £1.92bn, including VAT of £107.6m (£95.7m).

After much higher tax of £12m (£5.5m) earnings per 5p share are shown as 9.23p (9.04p), and the dividend is stepped up to 3p (2.55p) net with a final payment of 1.9p.

The first installation of electronic point of sale (EPOS) at Edmonton Green, North London, went live on January 25 last, directors say, and the existing programme of installation in a further 14 stores will be completed by the end of the current year. Revenue costs of £3.5m (£0.5m) have been written off against pre-tax profits.

Mr Leslie Porter, chairman of Tesco, said yesterday that the development programme for the current year included 16 new stores.

Sixteen new stores were opened during 1981-82, inluding two in Ireland, which together with five major extensions added 537,000 sq ft to total selling area. Twenty-six smaller stores were losed accounting for 174,000 sq ft.

The development programme for the current year includes 16 new stores together with two extensions and is estimated to add some 589,000 sq ft to selling area, the directors state.

Interest payable, less receivable, was much lower at £8.8m (£15.7m) for the year and was a result of a considerably lower level of borrowings, as well as a fall in rates. Pre-tax figure was also after depreciation, up from £20.2m to £24.5m.

Funds totalling £46m were generated by the sale of investment properties and property surplus to requirements, together with the proceeds of sale an leaseback transactions. The sales realised a surplus of £24m (£20m) over book values.

Including this figure the available balance came through at £54.7m, compared with £50.1m, of which dividends will absorb £10m (£8.5m).

On a current cost basis pre-tax profits are reduced to £37.9m (£29.8m).

	1981-82 £m	1980-81 £m
Turnover	2,102.0	1,916.4
Trading profit	76.0	71.5
Interest	8.8	15.7
Depreciation	24.5	20.2
Pre-tax profit	42.7	35.6
Tax	12.0	5.5
Net profit	30.7	30.1
Property surplus	24.0	20.0
Available	54.7	50.1
Dividends	10.0	8.5
Retained	44.7	41.6

See Lex

Hawker Siddeley optimistic

Sir Arnold Hall, the chairman of Hawker Siddeley, told the annual meeting that although the first half might not be quite as good as in 1981, the group was likely to see the year through reasonably well. He added, however, that he did not expect a great surge.

Although worldwide cuts in metal prices would be beneficial and lower oil and other energy prices would also help in the medium and long term, the chairman warned that in the short term the effect might be adverse. It was pointed out that lower animal feedstuff prices would cut the purchasing power of Far Eastern countries.

The group did little trade with Argentina—only £750,000 last year. Exposure in that country amounts to £140,000 in debts and about £100,000 in assets. Exports to Central and South America totalled about £28m last year and were expected to be about the same in 1982.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bakers Household Stores (Leeds), English China Clays, Flexello Castors and Wheels.

Finals: Amber Industrial, Assam-Dooars, Braby Leslie, British and American Film, British and Commonwealth Shipping, British Steam Specialities, Caledonia Investments, Continuous Stationery, Dawson International, Dominion and General Trust, East Midland Allied Press, Inchcape, Jatel, Lynton, Northern Securities Trust, Pauls and Whites, Standard Fireworks, Staveley Industries, "The Times" Veneer, Western Dooars Tea.

FUTURE DATES

Interim—	
Jones (Ernest) (Jewellers)	June 23
Finals—	
Birmingham Mint	July 5
Burnet and Hallamshire	June 22
Centrovincial Estates	June 22
Chloride	June 18
Chubb	June 23
Executex Clothes	June 25
Ferranti	June 23
Minerals Oils and Resources	June 22
Norcros	June 28
Rediffusion	June 25
Redland	June 24
Stead and Simpson	July 1
Textured Jersey	July 5

Berisford well ahead at £24m

INCLUDING 'A' sharply higher contribution from associates, up by £12.4m to £12.46m, and taking account of a £5.07m jump in interest charges to £11.69m first half taxable profits of S. and W. Berisford emerged well ahead at £24.42m, compared with £17.42m.

The directors point out, however, that during the period, covering the six months to March 31 1982, there was no improvement in the trading environment which has continued to affect the group's businesses over the past two years.

They add that nobody yet can be confident that recessionary pressures at home and abroad will be reversed in the near future and explain that the first half results continued to underline the group's inherent strength which stems from the diversity of its operations.

The net interim dividend is being stepped up by 0.5p to 3p per 25p share—a total of 7.5p was paid for 1980-81 from pre-tax profits of £40.7m. First half stated earnings per share were 11.74p (8.41p).

Turnover of the group, whose operations include merchanting and commodity trading, secondary metals, finance and insurance, and processing activities, advanced from £1.18bn to £1.32bn.

Tax took more at £4.74m (£3.34m) and minorities accounted for £18,000 (£1,000 credit). There were also extraordinary debits of £15,000 (nil).

See Lex

Johnson Matthey up £4m to £49.6m

ALTHOUGH final quarter pre-tax profits of Johnson Matthey slipped from £15.25m to £14.6m, the figure for the year ended March 31 1982 was £4m ahead at £49.61m.

Invoiced sales of the group, which is involved in precious metal refining, banking, chemical manufacture, dropped from £901.49m to £765.78m for the full period, excluding Johnson Matthey Bankers.

From earnings per £1 share unchanged at 27.4p, the dividend is stepped up to 10p (9.5p) net with a final distribution of 7p.

Profits for 1981-82 were helped this time by much lower interest charges of £2.8m, compared with £6.43m previously, but depreciation was £2m higher at £8.22m.

Tax amounted to £13.19m (£14.74m) and was split as to, UK £5.55m (£4.97m), overseas £6.78m (£8.31m) and associates £858,000 (£1.47m).

Exchange gains during the year were up at £2.76m, against £2m, lifting the attributable balance from £32.87m to £39.19m. Dividends will absorb £13.3m (£11.83m) leaving £25.89m (£21.04m) retained.

Exchange translation gains, which relate to the opening net asset position of overseas subsidiaries and associates, amounted to £10.03m (£2.03m losses) have been added to opening reserves. These are included in shareholders' funds of £303.42m, against last year's £266.57m.

Net assets totalled £328.63m (£289.49m) and comprised fixed assets £99.25m (£67.06m), investments £26.58m (£18.07m), net current assets £129.07m (£130.89m) and base stocks of £73.74m (£73.48m).

Base stocks of precious metals are valued at base prices fixed by the directors at March 31 1980. If market prices had been used, the amount on the balance sheet would have been higher by £28.06m (£56.4m) for the year.

On a CCA basis pre-tax profits are reduced to £37.59m (£33.59m).

	1981-82 £000	1980-81 £000
Sales	765,777	901,494
Interest	2,796	6,433
Depreciation	8,215	6,212
Pre-tax profits	49,610	45,602
Tax	13,186	14,740
Net profits	36,424	30,862
Exchange gains	2,763	2,006
Attributable	39,187	32,868
Dividends	13,302	11,832
Retained	25,885	21,036

Alpine Drinks reaches £1.7m

SLIGHTLY HIGHER pre-tax profits were reported by Alpine Soft Drinks, rising 9.6 per cent from £1.51m to £1.66m for the year to March 27 1982. Turnover moved ahead from £17.27m to £18.89m.

The dividend is being effectively held at 3.85p with a final of 2.644p net. Earnings per 10p share are shown as rising to 9.42p (8.97p adjusted).

The directors state that the disappointing second half result was due to the increasing effect of the recession as well as severe winter weather. These abnormal conditions together with the reduced spending power of customers resulted in a 9.6 per cent drop in sales during the second half.

There was a 3 per cent drop in soft drinks sales volumes compared with the previous year.

At half-time pre-tax profits rose from £932,000 to £1.2m and the directors said that there was no sign of recovery in sales volume from existing customers, although an increase in delivery rounds had lifted volume.

With the continuation of the economic recession the directors say that any major improvements in profits are difficult to predict. However they are confident that recent work carried out on management recruitment and product development will have a long-term benefit to the company.

Since last year distribution depots have been opened in Watford, Portsmouth and Dundee. A new product range has been developed and will be produced at the Nottingham factory. Sales of these new carbonated soft drinks will start this summer and further produce development and market tests are continuing.

At the trading level soft drinks showed profits of £1.83m against £1.85m. After an increased charge of tax of £690,000 against £590,000 group net profits emerged higher at £969,000 compared with £923,000.

Dividend payments will absorb £396,000 (same) leaving retained profits of £573,000, compared with £527,000.

On a current cost basis pre-tax profits were reduced to £1.11m (£954,000) and retained profits to £28,000 against previous losses of £32,000. Earnings per share were given as 4.12p against an adjusted 3.54p.

In the UK the directors say that the policy of continued product improvement, strengthening sales and marketing, and cutting costs wherever appropriated, helped keep price increases to a minimum. This maintained market share and substantially improved profits.

Despite volume sales continuing to fall significantly from the previous year's level exports managed to counter the industry trend, say, the directors.

● comment

Alpine Soft Drinks has achieved record pre-tax profits of £1.66m but the poor second half, with profits 22 per cent down on the comparable period, caused the shares to fall 3p from a three-year high, to 72p, yielding 7.9 per cent. With its greatest concentration of business in the major industrial areas, Alpine has felt the force of the cutback in consumer spending but has no immediate plans to build on its thin representation in the south of the country. The closure of the loss-making Alpine Direct Supply marks the end, for the foreseeable future, of Alpine's attempts at diversification on the back of its extensive distribution network, and the company now admits there was a mistake in timing and method in the move away from soft drinks. While Alpine's profits have been on something of a plateau since 1978, fruit juices, particularly in cartons, have been booming, and Alpine will shortly be making its first foray into this field. The company has net cash of about £1¼m and launch costs will not be at all significant, bearing in mind Alpine's well-established distribution network. The current hot spell has helped sales but as the company is well aware, fine weather is a bonus not a substitute for real growth.

Geo. Bassett recovers to £2m

A SHARP recovery in pre-tax profits has been shown by Geo Bassett Holdings for the year to April 2 1982. The surplus of this confectionery manufacturer moved ahead from £765,000 to £2.04m on lower sales of £65.56m against £68.35m for the previous 53 weeks.

The final dividend is being raised 1p to 2.5p which lifts the total from 1.5p to 3.5p net. Earnings per 25p share are given as higher at 14.25p (5p).

At half time pre-tax profits had improved considerably from £141,000 to £1.14m, which the directors said was because of action taken during the previous 18 months to reduce costs and to rationalise the group by selective divestments.

Pre-tax profits for the full year were struck after increased profits of £328,000 (£295,000) from non-confectionery companies sold, and after reduced interest charges of £681,000 (£1.29m).

Tax took £297,000 (£163,000). There was a minority debit of £21,000 (credit £7,000).

Extraordinary debits of £1.23m (£1.46m) were transferred to reserves and relate to losses from the disposal of subsidiaries together with provision for further anticipated losses on disposing surplus property following group rationalisation in 1981.

Borrowings less cash continued to decline say the directors, largely because of the divestments of companies that have taken place during the year. This has further strengthened the balance sheet, they add.

On a CCA basis pre-tax profits were £681,000 (losses £1.22m).

● comment

With no growth seen in volume at home and little abroad Bassett has relied on internal measures to maintain its rapid recovery from the disaster of two years ago. Final exorcism of the traces of its unhappy venture into non-food activities helped ease borrowings while further redundancies cut overheads. Total UK workforce, including disposals, was reduced 24 per cent to around 3,100 over the year. Spending on new plant was stepped up to £2m which, accumulatively, should lead to noticeable productivity gains. In the long term further profit expansion is expected to come from moves into new products and new territories. But for the current year the group, faced with difficult markets and almost static demand, must look to consolidating the benefits of restructuring. The good news for patient shareholders is that with gearing down from some 37 per cent two years ago to a more manageable 22 per cent, the company has chosen to devote nearly all available profit to dividend. This is lifted 133 per cent, thus going some way to restoring it to former levels. Yesterday the shares rose 4p to 74p for a fully taxed p/e that does not expect much at 8.7.

Watson and Philip up £0.2m

FOLLOWING A turnround from interest payable of £67,000 to interest receivable of £116,000, first-half taxable profits to April 30 1982 of Watson and Philip advanced from £206,000 to £405,000. Turnover of this foodstuffs distributor increased from £39.09m to £42.5m.

And with earnings per 10p share stated higher at 3.2p (2.3p) the interim dividend is being raised from 1p to 1.2p net. However the directors say the increase is to reduce the disparity between payments, though in the absence of unforeseen circumstances affecting the company's trading they intend to consider an increase in the final dividend. Last year a total of 3.3p was paid from pre-tax profits of £755,000 (£504,000).

A breakdown on trading profits of £289,000 (£273,000) shows: cash and carry £226,000 (£296,000); delivered grocery £39,000 (£23,000); catering and manufacturing £7,000 (£27,000); imports £25,000 (£10,000); self-drive hire nil (£75,000 losses); and non-divisional losses £8,000 (same).

The directors say the benefits of organisational changes and rationalisation are starting to work through and should continue, although very difficult trading conditions are expected for some time.

In the cash and carry division, various expansion possibilities are now under consideration, they say, including opening new sites. While these are expected to add to profit in future years, there may be some adverse impact in the short term, they add.

The results of the new division formed by combining cash and carry and delivered grocery activities is justifying the work involved.

However, the catering and manufacturing activities are disappointing and have been adversely affected by a sharp deterioration in trading margins in supplying oil rig caterers. The position in Aberdeen is therefore being re-examined in the light of changed trading circumstances, the directors say; though a major part of this division's profits normally arises in the second half, with the tourist season.

The imports division continues to progress satisfactorily, they add.

Tax for the half year took £142,000 (£40,000), while current cost adjustments reduced the taxable surplus to £262,000 (£62,000).

Country and New Town falls £1m

INCLUDING A SURPLUS on asset disposals of £267,000, against £2.13m, taxable profits of Country and New Town Properties fell from £2.27m to £1.32m in the year to January 31, 1982. Operating profits of this property developer and investor and department store trader advanced from £134,000 to £1.06m.

The final dividend is being raised from 0.6p to 0.65p net per 10p share, making a higher total of 0.9p on enlarged capital, against 0.85p. Earnings per share are given lower at 1.2p (2.31p adjusted).

The directors estimate that the group portfolio is worth approximately £80m, equal to 85p per share. This takes no account of further expansion under way and in negotiation, they say.

Tax took £84,000 (£753,000) and there was an extraordinary credit of £38,000 (£23,000) and minority debits of £537,000 (£540,000).

At the half-year stage the group had already fallen behind at the pre-tax level with profits of £514,000 (£964,000).

Break-even for Sumrie in second half

Although full-year figures of Sumrie Clothes show the group finished £70,000 deeper in the red at £138,000 pre-tax, as predicted this clothing manufacturer traded at almost break-even for the second six months incurring a deficit of just £1,000 for the period, compared with a surplus of £110,000 previously.

Turnover for the 12 months to April 3 1982 declined from £3.67m to £2.76m but trading losses were cut sharply to £84,000 (£295,000).

The pre-tax deficit was after taking account of an £18,000 loss (£627,000 profit) on property disposals, redundancy costs of £29,000 (£290,000) and bank interest of £7,000 (£11,000).

Tax took £16,000 (£290,000 credit) leaving a net loss of £154,000 against a profit of £231,000. Loss per 20p share is given as 6.17p (9.23p earnings) but the net dividend is being held at 1.5p.

John Folkes Hefo optimistic

After 18 months of making losses, John Folkes Hefo will make a marginal profit in the first six months of 1982 Mr Constantine Folkes, chairman, told shareholders at the annual meeting.

"An improved situation is evident for the near future in our major companies," he said.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alpine Soft Drinks	2.64	July 23	2.64*	3.85	3.85*
British Car Auction int	1.75	July 30	1.5	—	3.5
Geo Bassett	2.5	July 30	1.5	3.5	1.5
Berisford (S&W) ...int	3	Oct 6	2.5	—	7.5
Home Brewery ...int	2	June 30	2	—	7.3
Country and New Town	0.65	Oct 1	0.6	0.9†	0.85
James Cropper	2	Aug 11	1.5	3	2.5
Johnson Matthey	7	—	6.5	10	9.5
Sumrie Clothes	1.5	—	1.5	1.5	1.5
Tesco Stores	1.9	Aug 6	1.55	3	2.55
Dundee and Lon Inv int	1.5	July 16	1.25	—	4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

£110,000 handshake for former Wm Press director

A payment of £110,000 to former director Jack Martin of the William Press Group is shown in the engineering contractor's annual accounts.

The payment is stated as being "in connection with termination of service agreements."

Mr Martin resigned from the board at the end of last year, but still remains a consultant to the group. He left following a restructuring of all Press operating groups during 1981.

Mr W. A. Hawken, chairman, tells members in his review he is hopeful that some benefits will begin to accrue, before the end of 1982, from the group's policy on corporate expansion and business development.

"This, if coupled with some recovery in capital expenditure within our traditional markets, should ensure continuing progress," he says.

With regard to existing businesses, the experience of the current year so far suggests another steady performance in the UK, he states, although offshore activities may be affected by the cyclical nature of the market.

Mr Hawken adds that "there should be expectation of more satisfactory results from our design and inspection companies, which continue to expand, particularly overseas."

As reported on May 29 the group launched its first rights issue for almost six years—a one-for-four issue at 50p raising £7.2m. Pre-tax profits for 1981 amounted to £10.56m (£9.09m) before the Cairo gas conversion provision. Turnover was £278m (£252m) and the dividend is up by 15.2 per cent to 3.18p net per share.

In the accounts the group balance sheet shows shareholders' funds of £40.06m (£35.94m), fixed assets £21.47m (£20.22m) and net current assets amounting to £19.93m, against £19.01m.

On a current cost basis the pre-tax figure for the year is reduced to £4.04m (£5.07m).

Meeting, The Dorchester, Park Lane, W, on July 29 at 11.30 am.

Exploration successes boost Cluff's confidence

IN HIS annual statement Mr J. G. Cluff, the chairman of Cluff Oil, the British independent oil exploration concern, indicates that the company achieved a substantially better than average success ratio in its world-wide exploration activities during 1981.

With the realisations and discoveries made during the year and the first months of 1982 he says the directors are looking to the future with confidence.

In Canada seven of the nine wells in which the company had participated had been commercial discoveries and in the U.S. an exploration success ratio of 38 per cent was achieved—significantly above average.

In Australia where the group is forming a new company, Cluff Oil (Pacific), three offshore wells will be drilled in the next two months.

Referring to offshore China, which he regards as of outstanding interest to the oil industry, Mr Cluff reveals that the group's intention to apply for licences has been registered with the Chinese authorities.

At home, wells on North Sea Block 20/8 and on Irish Sea Block 112/25a were spudded in May. The first well on the Channel Block, held in association with Elf and BP, is to be drilled shortly.

On the production side, Mr Cluff points out that Buchan Field is continuing to demonstrate "encouraging reservoir characteristics" and through its holding of overriding royalty units it is expected that the group will receive substantial surplus revenue during the producing life of the field.

As reported on June 12 the group made a profit of £121,000 (£1.06m loss) for the 1981 year after tax and extraordinary items.

Aran Energy expands

IN 1981 the Irish oil exploration, importation and distribution group Aran Energy turned round from taxable losses of I£105,520 to profits of I£1.01m on operating revenues up from I£12.36m to I£17.17m. However no dividend or other distribution is being recommended.

Mr Eoin Ryan, chairman, says the directors are satisfied the oil sector is now showing signs of having reached its bottom and a more stable long term basis for growth is being established. Arran has made substantial progress in establishing a secure asset base and cash flow and new areas of exploration potential, which places it in a strong position to participate in this growth.

During 1981, he says, the group significantly expanded its exploration, royalty, and trading interests, though this was obscured to an extent by the general weakness of the oil sector and by reaction to the group's drilling results in block 26/28 of the Porcupine Basin where no oil was found.

Tax took £497,250 (£35,776) and after minority interests of £84,414 (£19,834 credits) the attributable profits emerged at £428,242 (£122,462 losses).

At the year end shareholders funds stood at £27.19m (£17.99m). Net current assets came to £88,607 (£3.91m) and fixed assets were valued at £1.24m (£1.17m). The group's net interest in the Marathon Royalty was stated at £11.16m (£6.01m).

Deferred exploration costs came to £12.41m (£7.52m) and investment in an exploration company was £2.79m (nil); however, Arthur Anderson, the group's auditors, point out that pending further drilling the extent, if any, to which commercial production relating to these figures may be achieved has not yet been determined.

During the year there was a decrease in net liquid funds of £3.82m (£5.61m increase).

THE TRING HALL USM INDEX
126.9 (+0.3)
Close of business 16/6/82
BASE DATE 10/11/80 100
Tel.: 01-638 1591

LADBROKE INDEX
Close 566-571 (−1)

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UK COMPANY NEWS

Fraser call to reject demands

House of Fraser is continuing its prickly dialogue with Lonrho — through the medium of Fraser's shareholders—ahead of the stores group annual meeting on Thursday June 24.

Responding to the two resolutions Lonrho has tabled for consideration at the meeting, Fraser's chairman, Professor Roland Smith, has written to shareholders urging them to reject Lonrho's call proposing a limit on the board's power to allot shares and its demand that shareholders be given the opportunity to consider any offer or proposed offer for their shares from any source.

Professor Smith points out in the letter that "there are stringent stock exchange requirements governing the issue of shares, which strike a proper balance between the need for directors to seize opportunities by acting swiftly and the right of shareholders to approve major acquisitions.

"Your board," the chairman continues, "would certainly be required to seek shareholders' consent for the issue of far les than 45m shares for any acquisition and any suggestion to the contrary is wrong."

The second Lonrho resolution is deemed "entirely inappropriate."

The chairman reminds shareholders that "your board is of course already obliged to inform shareholders of any firm intention from a serious source to make an offer. But it is up to the offeror actually to present an offer to shareholders.

"Thus it was Lonrho, not your board, who presented the Lonrho offer to shareholders some 15 months ago; your board, as was its duty, offered guidance to shareboders on the Lonrho offer and took such action as was necessary to fend off a bid which it saw as being contrary to the interests of shareholders."

Kennings Estates edges ahead

For the six months ended March 31 1982, taxable profits of Kennings Estates, wholly-owned subsidiary of Kennings Motor Group, edged ahead from £747,000 to £772,000 despite a slight fall in turnover to £1.1m, against £1.13m.

For the 1980-81 year pre-tax profits had dropped to £1.47m (£3m).

Tax of this company, main activity of which is that of owning and letting properties, was down from £230,000 to £180,000, for the half year, leaving net profits £75,000 up at £592,000.

Morgan Grenfell in Italy

Morgan Grenfell and Co. banking and financial services concern, has established a subsidiary in Milan, Italy, with an initial share capital of L200m.

The group had previously been present in Italy by way of a representative office and the decision to establish the new company, called Morgan Grenfell Italia SpA, reflects the growing volume of lending arranged by the group for that country.

From this base Morgan is looking to develop in Italy other of its traditional services as an international merchant bank, particularly in an advisory role to both state and private companies.

MINING NEWS

Geevor makes a comeback, but . .

BY KENNETH MARSTON, MINING EDITOR

CORNWALL'S Geevor Tin Mines can claim the distinction of being one of the very few mining companies these days to report a sharp improvement in its forunes during the past 12 months. Again no dividend is declared but there is a profit of £14,000 for the year to March 31 before tax of £4,000.

In the previous year to March 31 1981 the combination of low tin prices and rising costs had resulted in the veteran mine turning in a loss of £285,000. In June last year Mr Robert MacWilliam, the chairman, said that the company could not make a worthwhile profit at the tin price then prevailing of around £6,500 per tonne.

"In the meantime," he added, "all we can do is tighten our belts and see that we stay in business in such a way that we are in a position to take the best advantage of the price increase when it comes."

Sure enough, the price increase did come but it came in a way that nobody had expected. At about that time the mystery buyer of tin, believed to have been acting on behalf of Eastern tin producing interests, started his price supporting operations. The price thus swiftly rose and by February of this year it was up to almost £9,000 per tonne.

This coupled with a small increase in Geevor's production put the Cornish mine back into profits again. Alas, the story now takes a turn for the worse. The mystery buyer of tin departed from the scene earlier this year and the previously artificial price collapsed and is now back to around £5,750 in line with the general depression among base metals.

It thus looks as though Geevor is going back to where it was a year ago. One ray of light, however, is that the major tin producing companies in the east, Malaysia, Indonesia and Thailand, appear to be moving towards the formation of a cartel which will seek to support the metal price by means of cutting production or exports.

The small Cornish industry has not joined similar tin cutbacks in the past and in view of its present difficulties will probably continue to produce tin at normal rates while, hopefully, enjoying better prices.

Just how much difference this will make to the Cornish mines' fortunes, however, is a moot point and yesterday shares of Geevor remained at a year's low of 85p.

Jackson 2 set to be oil producer

THE JACKSON No. 2 appraisal/exploration well in the Queensland section of Australia's Cooper Basin is to be completed as an oil producer once the targeted total depth of 1,811 metres is reached, according to Delhi Petroleum. Delhi is the operator for the consortium owning the discovery.

The well flowed oil at rates of up to 1,430 barrels per day in earlier tests.

Interests in the Naccowlah block, which contains the Jackson oilfield, are: Santos 40 per cent, Delhi (a subsidiary of CSR) 32 per cent, Claremont Petroleum 10 per cent, Vamgas 8 per cent, Ampol Exploration 7.5 per cent and Oil Company of Australia 2.5 per cent.

The original Jackson discovery flowed oil at more than 4,000 barrels per day.

BIDS AND DEALS

U.S. expansion by Glynwed

Glynwed International, the engineering and steel group, has acquired the capital of Automation Service Equipment of Michigan for $10m (£5.68m).

This is the sixth U.S. company to be acquired by Glynwed over the past two years and brings total spending on U.S. acquisitions to about $41m. These companies account for 8-10 per cent of group turnover, Mr Leslie Fletcher, the chairman, said.

Glynwed will pay $9m immediately for Automation and a further $1m by the end of 1985 with this final instalment carrying an 11 per cent rate of interest.

Automation designs and manufactures automated equipment for the movement and storage of small industrial components, particularly for the automobile industry.

"Automation is about our size," Mr Fletcher said yesterday. "We have been deliberately buying small-cost companies in the hope and expectation that we will get them to grow and on the basis that whatever we buy would not ruin us if we got one wrong."

Glynwed's U.S. companies have all produced profits although its most expensive acquisition, the steel stockholding business of Ingalls Inc, bought last year for $10.75m, has been under pressure, as has steel stockholding generally.

Automation made pre-tax profit of $1.94m in the year ended March 31 and had assets of about $3.2m. It has an order book full for the next 9-12 months, Glynwed said.

Capper Neill raises Allied Nuclear stake

Capper Neill, the process plant group, has increased its holding in Allied Nuclear Inc of California, to 49 from 20 per cent and has the option of acquiring up to 80 per cent.

Capper has spent £416,000 on building up the equity stake over the past two years and in taking up convertible redeemable debentures which would allow it to raise its holding to 80 per cent, said Mr John Impey, Capper's vice-chairman.

The only other shareholder in Allied Nuclear is Mr Vincent Climent, a health physicist and the founder of the company, which specialises in decontaminating low-level radioactive materials and components to make them safe for re-use or disposal.

The U.S. company made profits of around $250,000 on turnover of $6m in its last full year, according to Capper Neill.

Capper became involved when the U.S. company was looking for funds for further expansion. Allied Nuclear is trading satisfactorily and there are growth prospects for products and services allowing the reduction and control of nuclear contamination, Capper said.

The 14 per cent Allied Nuclear debentures are redeemable in 10 years and are convertible at any time up to redemption.

There are certain advantages in allowing the company to remain in U.S. hands, Capper said. At March 31 1981 Capper held 20 per cent of Allied Nuclear.

GREENBANK BUYS F. HAWORTH

Greenbank Engineering Group, the main subsidiary of Greenbank Industrial Holdings, has purchased for £156,000 cash the trading assets and goodwill of F. Haworth (ARC).

Haworth's business comprises the formulation, manufacture and installation of acid resistant cements and compounds.

Greenbank feels that there is scope for further sales of Haworth products to existing Greenbank customers

WEIR SUBSIDIARY £0.33M BUYOUT

Weir Group, of Glasgow, has sold its interests in the Pattern Equipment Company, of Leicester, to two of the subsidiary's directors, Mr Richard Brocklehurst, finance director and Mr Peter Boyle, sales director, for £333,750.

The company, which employs 52, was acquired by Weir in 1972 and since then has operated as a separate entity independent of the group's principal pattern-making company, G. Perry and Sons.

Braid shareholders get appeals from both camps

The take-over battle between two northern vehicle distributors, Lookers of Manchester and Braid Group of Liverpool, increased in intensity yesterday with appeals from both companies to Braid's shareholders.

Lookers, which already has 22.3 per cent of the Braid equity, has offered 50p each for the remaining ordinary and preference shares in a bid valuing Braid at £3.1m.

It pointed out to Braid shareholders that their company had suffered 2½ years of losses and passed dividends. Figures released by Braid last week showing a loss of £298,000 in the six months to March 31, represent the largest first-half loss recorded by the company in the past 10 years, Lookers said.

Braid's share price, at around 51p, is at a 10-year high and is likely to fall sharply if Lookers withdraws, it added.

In their letter to shareholders, the Braid directors said Lookers' offer put a value of only £2.6m on the company, after allowing for the Macclesfield sale, compared with Braid's figure of £5.6m.

Figures for May showed continuing operations made a pre-tax profit of £93,000 in the first five months of 1982, against a loss of £35,000 in the same 1981 period. Braid's directors have bought a further 54,640 shares in their company since June 9 as evidence of their faith in the company, taking their ordinary share stake to 2.3 per cent.

More members of the Braid family have said they will not accept the Lookers' offer and family opposition now amounts to 7.3 per cent of the ordinary capital and 12.4 per cent of the preference capital, Braid said.

JOHN MENZIES HAS 96.9% OF LONSDALE

Acceptances of the John Menzies Holdings offer for all the issued and to be allotted capital of Lonsdale, were received for 4,463,277 25p ordinary shares (49.5 per cent of the present issued capital), 4,853 7 per cent £1 first preference shares (10.8 per cent) and 344,342 7 per cent £1 second preference shares (85.2 per cent) by 3 pm on June 14 1982

On April 19 1982 immediately prior to its original offer, Menzies acquired 1,007,500 ordinary shares (11.18 per cent). During the offer period it acquired 3,258,102 ordinary shares and 39,071 first preference shares (36.17 per cent and 86.82 per cent respectively).

Menzies therefore owns, or has received acceptances of 8,728,879 ordinary shares, 43,924 first preference shares and 344,342 second preference shares (96.9 per cent, 97.6 per cent and 85.2 per cent respectively).

Resolutions proposing a reorganisation of Lonsdale's ordinary share capital were put to its shareholders at general meeting on June 14 and duly passed.

LONDON TRADED OPTIONS

June 16. Total Contracts 665 Calls 487 Puts 168

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP (c)	280	34	5	42	—	—	—	308p
BP (c)	300	20	3	28	9	36	—	"
BP (c)	330	5	—	14	4	20	1	"
BP (p)	300	8	—	18	20	24	—	"
BP (p)	330	26	15	34	—	42	—	"
CU (c)	120	18	—	22	1	27	—	134p
CU (c)	130	11	—	16	—	20	2	"
CU (c)	140	6	2	12	50	6	—	"
Cons. Gld (c)	330	20	—	30	—	40	1	332p
Cons. Gld (c)	360	8	—	20	1	30	—	"
Cons. Gld (p)	390	62	1	65	—	72	—	"
Ctlds. (c)	60	21	23	—	—	—	—	79p
Ctlds. (c)	70	11	2	17	—	—	—	"
Ctlds. (c)	80	4	30	9	12	13	10	"
Ctlds. (c)	90	1	29	5	2	8	3	"
GEC (c)	850	90	2	117	—	147	—	937p
GEC (c)	950	25	2	52	—	77	1	"
GEC (p)	800	2	—	4	2	7	—	"
GEC (p)	850	5	—	10	7	17	—	"
GEC (p)	900	13	25	27	10	35	1	"
GEC (p)	950	40	—	52	1	60	—	"
Gr'd Met. (c)	214	16	—	21	3	28	1	226p
Gr'd Met. (c)	220	11	5	17	—	23	—	"
Gr'd Met. (c)	240	3½	—	7	—	12	1	"
Gr'd Met. (p)	174	½	2	1	—	—	—	"
Gr'd Met. (p)	214	6	10	9	—	12	—	"
ICI (c)	300	28	1	36	—	48	—	320p
ICI (c)	330	10	4	19	—	30	—	"
ICI (c)	360	3	—	7	5	—	—	"
ICI (p)	300	4	—	7	7	13	—	"
ICI (p)	330	14	4	20	2	24	—	"
Land Sec. (c)	280	8	25	19	—	30	—	278p
Mks & Sp. (c)	160	8	3	12	5	17	—	162p
Mks & Sp. (c)	180	2	—	5½	1	7	—	"
Shell (c)	330	88	—	96	6	—	—	412p
Shell (c)	360	58	20	68	—	—	—	"
Shell (c)	420	11	26	24	10	32	—	"
Shell (c)	460	3	25	12	15	17	—	"
Shell (p)	420	16	25	30	—	38	—	"
		August		November		February		
Barclays (c)	460	25	3	40	—	53	—	466p
Imperial (c)	90	10	2	14	—	20	—	97p
Imperial (c)	100	4½	39	8½	25	13	—	"
Lasmo (c)	330	20	4	34	—	50	—	324p
Lasmo (c)	360	9	—	24	2	34	—	"
Lonrho (c)	70	3½	—	5	2	8	—	69p
Lonrho (c)	80	1	2	2	2	3½	9	"
Lonrho (p)	80	13	2	15	—	16	—	"
P & O (c)	140	15	1	18	—	24	—	152p
Racal (c)	420	21	10	40	—	53	—	420p
Racal (c)	460	8	10	23	1	33	—	"
Racal (p)	390	6	11	15	—	20	—	"
Racal (p)	460	50	—	55	—	60	1	"
RTZ (c)	360	33	1	48	—	53	—	377p
RTZ (c)	390	18	5	33	—	42	—	"
RTZ (c)	420	9	—	20	5	30	—	"
RTZ (c)	460	4	—	12	—	20	2	"
RTZ (p)	360	8	—	12	—	18	8	"
RTZ (p)	390	22	—	28	—	34	1	"
RTZ (p)	420	47	—	54	1	60	—	"
RTZ (p)	460	86	1	92	—	95	8	"
Vaal Rfs (c)	40	5	—	6½	5	—	—	$43
Vaal Rfs. (c)	45	2	10	4	—	6	—	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$300	—	—	—	—	2	48	$317.5
GOLD C	$325	7	15 B	3	29 B	—	—	"
GOLD C	$350	1	8	30	15	—	—	"
GOLD C	$375	15	3.40	1	11	—	—	"
GOLD C	$400	30	1.20	—	—	—	—	"
GOLD P	$300	—	—	1	13.50	—	—	"
GOLD P	$325	—	—	2	25	—	—	"
GOLD P	$350	5	35	15	40	—	—	"
12¾ NL 81 87-91								
C	F.110	—	—	200	2.90	—	—	F.111.50
C	F.112.50	3	0.80	—	—	—	2.30	"
P	F.110	20	0.60	200	1.50	—	—	"
P	F.115	—	—	350	4.40	—	—	"
11¼ NL 82 88-92								
C	F.100	2	2.70	200	3.50	—	—	F.102.40
C	F.102.50	700	0.90	—	—	—	—	"
C	F.105	—	—	—	—	5	1.40	"
10 NL 82 86-89								
P	F.97.50	—	—	200	1.40	—	—	F.98.20
		July		Oct.		Jan.		
AKZO C	F.25	10	0.50	100	1.30	3	1.80	F.24
AKZO C	F.30	—	—	—	—	1	0.60	"
AKZO P	F.25	75	1.30	220	1.80	—	—	"
AKZO P	F.27.50	22	3.30	—	—	—	—	"
AMRO C	F.50	10	1.50	—	—	3	2.50	F.49.80
AMRO P	F.50	—	—	—	—	2	6	"
AMRO P	F.55	—	—	—	—	5	3.00	"
HEIN C	F.60	—	—	—	—	—	—	F.56.30
HEIN P	F.60	—	—	10	3.80	—	—	"
HOOG C	F.15	3	0.70	4	1.40	—	—	F.14.80
HOOG P	F.15	13	0.50	10	0.90	—	—	"
KLM C	F.80	3	12B	—	—	—	—	F.91.30
KLM C	F.90	73	4.50B	1	8.50	—	—	"
KLM C	F.100	352	1.40	13	4.90	—	—	"
KLM C	F.110	149	0.60	22	2.80	—	—	"
KLM C	F.120	2	0.30	—	—	—	—	"
KLM P	F.80	34	0.90	44	2.40	—	—	"
KLM P	F.90	114	3.20	6	5.60	20	8	"
KLM P	F.100	43	11	—	—	—	—	"
KLM P	F.110	16	19B	—	—	—	—	"
NEDL C	F.120	—	—	10	2.70	—	—	F.112
NEDL P	F.110	54	1.50	170	2.80	10	4	"
NATN C	F.115	5	1.30	—	—	—	—	F.113.50
PETR C	Fr.4500	—	—	2	2.90	—	—	"
PHIL C	F.22.50	110	0.60	45	1.40	37	1.90	F.22.50
PHIL C	F.25	15	0.20	92	0.60	59	1	"
PHIL P	F.22.50	150	0.50	20	0.90	91	1.20	"
PHIL P	F.2	10	2.40 A	5	2.40	5	2.60	"
RD C	F.80	—	—	7	11.60	—	—	F.89.60
RD C	F.90	19	2.10	34	4.30 B	1	5.40A	"
RD C	F.100	10	0.30	9	1	58	2	"
RD P	F.80	10	0.30	10	1	—	—	"
RD P	F.90	98	2.30	80	5.10	6	5.60	"
UNIL C	F.150	—	—	110	10.50B	—	—	F.146.70
UNIL P	F.140	10	0.80	—	—	—	—	"
		Aug.		Nov.		Feb.		
SLUM C	$55	2	0¼	—	—	—	—	$40⅛

TOTAL VOLUME IN CONTRACTS: 4733

A=Asked B=Bid C=Call P=Put

Bardsey sees progress in second half

Severe winter weather has adversely affected first quarter results for 1982 at Bardsey, Mr Stanford Sackville, the chairman, told members at the annual meeting. The directors expect better results in the second half.

The furniture trade suffered from the failure of the January sales in the stores, he said, which has had a continuing effect, because many customers were overstocked and there has been no revival of demand.

The level of activity in the property division was planned to be lower for the first six months of this year, said Mr Stanford-Sackville. Taking this together with the downturn in the furniture division, the directors expect that it is the second half of 1982 which will see a better performance from the group.

He reports that a continuing improvement has been seen in the RCF companies since their acquisition last October.

Yearling bonds total £11.25m

Yearling bonds totalling £11.25m at 12¾ per cent redeemable on June 22, 1983 have been issued this week by the following local authorities.

Coventry (City of) £1m; Dudley Metropolitan BC £0.5m; Nottingham (City of) £0.5m; Southwark (London Borough of) £0.5m; East Staffordshire DC £0.5m; Mole Valley DC £0.25m; Rushcliffe BC £0.25m; West Oxfordshire DC £0.25m; Lambeth (London Borough of) £1m; Camden (London Borough of) £1m; Darlington BC £0.5m; Grampian Regional Council £1m; Ashford BC £1m; South Yorkshire CC £0.25m; Trafford (Borough of) £0.5m; Walsall Metropolitan BC £1m; Cleethorpes BC £0.5m; Cleveland CC £0.5m; South Bedfordshire DC £0.25m.

Enfield (London Borough of) has issued £1m of 13¾ per cent bonds at par for redemption on June 13, 1984.

Hill Thomson increases to £578,000

An increase in pre-tax profits has been shown by Hill, Thomson & Co. from £263,000 to £578,000 for the six months to January 29 1982.

Turnover of this blender and bottler, wholly owned by Glenlivet Distillers, amounted to £4.73m, including duty, compared with £4.52m.

There was a tax credit of group relief receivable of £57,000 (£59,000). Earnings per share were given as rising from 7.03p to 13.86p.

Jms. Cropper advances to £304,000

SECOND-HALF taxable profits of £43,000 against losses of £125,000 brought the figure for the year to March 27 1982 of paper manufacturer James Cropper up from £100,000 to £304,000. The 12 months' turnover advanced from £15.02m to £16.98m.

The final dividend is being raised from 1.5p to 2p net per 25p share making a higher total of 3p (2.5p).

The directors say the current year has begun well with profits to the end of May somewhat ahead of budget and significantly above that for the first two months of the year under review. However they say market conditions and exchange rates are extremely volatile and it is therefore not possible to make any realistic forecast of profit for the year.

Taxable profits were struck after interest payable of £583,000 (£480,000) and tax took £20,000 (£17,000).

Current cost adjustments reduced the pre-tax profits to losses of £543,000 (£513,000).

Wm. Pickles suspended

Shares in William Pickles were suspended yesterday at the request of the Altrincham-based textile manufacturer pending an announcement. Samuel Montagu, the merchant bank advising Pickles, said that further details would be published shortly.

The ordinary shares were halted at 4p while the larger class of unenfranchised equity was frozen at 2½p to value the group at just over £780,000.

This compares with net worth of £5.2m in the last accounts published, at December 31 1980 but Pickles has subsequently absorbed an attributable deficit of £365,000 in the first half of 1981.

Mr Malcolm Greenslade, the chairman, said then that it was not possible to be too optimistic about the future. Since the publication of the halftime results last August, Mr Richard Fielding, the chief executive, resigned in January, the Banner schoolwear and Sting boys' leisurewear operations were sold to William Baird for about £450,000 later the same month.

In March the Northern Ireland offshoot of the Banner business went to Muntonu Brothers in a deal worth £114,000. In both cases, the payments were applied to a reduction of heavy overdrafts.

Pickles' major shareholder is Ray Trading of Switzerland, connected to the Lebanese Lababedi family, which controls almost 23 per cent of the total equity.

AXEL JOHNSON BUYS ALLOY AND METAL

Sweden's Axel Johnson Group is acquiring through its British subsidiary Alloy and Metal Stockholders, London, one of Britain's largest stockists of stainless steel with an annual turnover of some £9m. No price has been disclosed.

Johnson has built up an extensive marketing organisation for stainless steel products in Europe over the past few years. Sales reached SKr 1.42bn (£135m) last year, of which only SKr 502m was effected in Sweden.

The purchase of alloy and metal means that Johnson will have its own wholesaling units in all the principal European steel-making countries. Alloy and Metal's range will be extended with products from Johnson's own plants manufacturing stainless steel in Sweden and the Netherlands.

RESULTS AND ACCOUNTS IN BRIEF

SCOTTISH EASTERN INVEST. TRUST—Net asset value with prior charges at par 112.5p and at market value 115.6p.

ST. ANDREW TRUST—Net asset value with prior charges at par 205.2p and at market value 209.5p.

SECURITIES TRUST OF SCOTLAND—Net asset value with prior charges at par 152.1p and market value 162.1p.

GT GLOBAL RECOVERY INV. TRUST—Final dividend 2.75p making 3.5p for period March 12, 1981, to March 31, 1982. Total income £979,435, total management expenses and interest £221,519 and pre-tax profit £757,916. Tax £366,671, leaving £391,245. Net asset value 79.71p

THE SCOTTISH NATIONAL TRUST—Gross revenue £2.4m (£2.28m) for six months to March 31, 1982. Tax £585,746 (£623,873): net revenue after tax £1.13m (same): retained profits £368,984 (£400,201): net assets per share 139p (145p): interim dividend 1.15p (1.1p).

BISICHI TIN COMPANY.—Dividend for 1981, 0.65p net (same). Pre-tax profits £205,824 (£523,522): tax £97,943 (£268,509), leaving £108,881 (£255,013). Extraordinary debits £116,525 (£38,412). Stated earnings per 10p share 1.67p (3.9p). The chairman says results for 1982 should be satisfactory. Pre-tax profits on a CCA basis £207,543 (£499,516).

DARES ESTATES (property development group)—Results for 1981 reported on April 20, 1982. Shareholders' funds £6.99m (£4.79m): fixed assets £297,105 (£297,157): current assets £7.2m (£7.09m): net current assets £4.27m (£3.85m): investments £26,178 (nil). Chairman says the planned reduction in company's housing activities has been achieved in a profitable manner and has released management effort. Company is now seeing the realisation of its efforts in America and hopes to further expand as opportunities occur. Chairman's emoluments, including commission, was £44,636 (£12,758). Meeting: Queensway, Birmingham, July 2, at noon.

BRITISH VENDING INDUSTRIES—Results for 1981 already known. Shareholders' funds £2.17m (£2.42m): fixed assets £1.85m (£3.1m): current assets £4.98m (£5.56m) including cash and bank balances £63,820 (£11,863): net current assets £621,546 (£368,524 liabilities). Chairman says company entered 1982 "leaner and fitter." Meeting: Morden, Surrey, June 22, at 10.30 am.

AERO NEEDLES GROUP (manufacturer of knitting, sewing and hypodermic needles)—Results for 1981 reported on May 28 1982. Shareholders' funds £3.68m (£4.35m): fixed assets £3.58m (£3.77m): current assets £4.48m (£5.32m): net current assets £600,892 (£1.08m). Meeting: Redditch, July 6, at 3 pm.

PLATIGNUM GROUP (manufacturer of writing instruments)—Results for year to January 31 1982 already known. Shareholders' funds £3.57m (£3.8m): fixed assets £3.25m (£3.51m): current assets £2.63m (£3.2m) including cash in hand and at bank £1,298 (£58,674): net current assets £292,551 (£646,277): net decrease in working capital £333,418 (£1m). Meeting: Winchester House, Old Broad Street, EC, July 2, at noon.

BREMNER (warehousemen)—Results for year to January 31 1982 already known. Shareholders' funds £3.14m (£3.11m): fixed assets £708,705 (£670,573): current assets £2.82m (£3.08m) including bank balances and cash £699,295 (£918,401): net current assets £2.51m (£2.66m): decrease in net liquid funds £263,419 (£43,851 increase): Meeting: Glasgow, July 8 at 10.30 am.

LONDON TRUST—Results for the year to March 31 1982 reported on May 20. Shareholders' funds £97.22m (£102m): listed investments at valuation £94.55m (£113.5m): unlisted £41.68m (£20.69m): net current liabilities £13.08m (£6.91m): decrease in liquidity £6.78m (£5.11m). Guardian Royal Exchange Assurance holds 13.6 per cent of ordinary equity. Meeting: Connaught Rooms, Great Queen Street, WC, July 7 at noon.

ALPINE HOLDINGS (double glazing, showers, fitted furniture)—Results for year to January 31 1982 and prospects reported May 19. Shareholders' funds £3.36m (£3.18m). Net current assets £2.04m (£1.82m). Net increase in working capital £1.37m (£1.18m decrease). Meeting: Alpine House Honeypot Lane, NW, July 8, noon.

HAZLEWOOD FOODS (food processor)—Results and prospects for year to March 31 1982 reported on June 2. Shareholders' funds £6.22m (£4.11m): fixed assets £5.05m (£2.22m): net current assets £2.66m (£2.88m): increase in working capital £606,000 (£1.67m). Meeting: Derby, August 2, at noon.

THOMAS WARRINGTON & SONS (general builder and public works contractor).—Results for 1981 and prospects reported on May 19, 1982. Shareholders' funds £3.85m (£3.06m): fixed assets £2.35m (£1.81m): current assets £3.17m (£2.89m): net current assets £1.58m (£1.37m). Espley Tyas Property Group owns 19.7 per cent of ordinary shares. Meeting: Chester, July 6, at 11 am.

YOUNG AND COMPANY (brewer).—Results for year to March 31, 1982 already known. Shareholders' funds £45.35m (£44.06m): fixed assets £48.48m (£47.14m): current assets £4.62m (£4.38m): net current liabilities £300,861 (£7,574 assets). Meetings: West Centre Hotel, Lillie Road, SW, July 6 at noon.

ALTIFUND (investment trust)—Results for year to March 31 1982 already known. Investments at valuation £9.89m (£9.71m): net current assets £348,832 (£79,222): shareholders funds £10.07m (£9.79m): increase in liquidity £44,000 (£140,000 decrease): Hill Samuel & Co held 14.48 per cent of income share capital as at June 9. Meeting: St Mary Axe, EC, July 7, 12.30 pm.

LONDON AND NORTHERN GROUP (construction and engineering)—Results for 1981 reported May 20. Chairman says that current trading continues at a satisfactory level and an increase in profits is being budgeted for in the current year. Group shareholders funds £57.5m (£52.4m). Fixed assets £32.74m (£32.64m) and net current assets £682,000); decrease in working capital Hall, Essex Street, WC, July 7 at 3 pm.

SPAIN

June 16	Price %	+or−
Banco Bilbao	355	
Banco Central	340	
Banco Exterior	308	
Banco Hispano	316	
Banco Ind. Cat.	113	
Banco Santander	366	+5
Banco Urquijo	189	
Banco Vizcaya	369	+1
Banco Zaragoza	245	
Dragados	131.0	+1.5
Espanola Zinc	70	
Fecsa	66.2	+0.5
Gal. Preciados	33	−1
Hidrola	63.0	−0.2
Iberduero	52	−1
Petroleos	83.0	−1.2
Petroliber	99	
Sogefisa	8	−1
Telefonica	70.7	−0.3
Union Elect.	58.5	−0.5

EEC may challenge U.S. sugar quotas

BY LARRY KLINGER IN BRUSSELS

THE U.S. emergency sugar import restrictions and quota scheme may be challenged by the EEC at the Council for the General Agreement on Tariffs and Trade (Gatt).

While senior trade officials emphasised in Brussels yesterday that discussions among the EEC's ten member-states were still in preliminary stages, the European Commission, encouraged by export-oriented France, is expected to present proposals calling for a Gatt ruling against the U.S. measures for allegedly disrupting further an already severely depressed world sugar market.

The U.S., which yesterday announced the level of its emergency import quotas for the third quarter of this year, is treating the reports of the EEC discussions as unconfirmed rumour.

"We have yet to be notified that the talks are being held," said one official in Brussels yesterday, "and therefore do not feel able to comment.'

The Reagan Administration recently reintroduced the quota system, limiting imports to 198,000 tonnes from May 11 to June 30, and yesterday decided on an extension of the programme at 381,000 tonnes for the July-September quarter. No unused quota from the current quarter will be carried over.

It was also understood that the Administration intends to make the system permanent on an annual basis from October 1, with yearly imports initially restricted to around 3m tonnes.

President Reagan said in May that the reintroduction of quotas had become necessary to prevent massive imports that could damage the sugar industry and cost his Administration $400m. The U.S. Government must buy up surplus sugar if domestic prices do not reach a guaranteed minimum level.

The U.S. is also expected to continue to press its Gatt case against the European Community's price support system.

This is in spite of the EEC member-states' approval on Monday of a scheme designed to ensure that producers pay the cost of exporting surplus production and the Gatt Council's recent refusal to continue to discuss similar Australian complaints because the new EEC system apparently removed the main element of export subsidy.

U.S. officials maintained yesterday that substantial export subsidies would remain in force because EEC rebates would only be clawed back from the producer at a later date, and that any deficit in the scheme after the full producer tax was applied would be carried over to the next year.

Our Commodities Staff writes: News of the new U.S. import allocation tended to depress the market as traders had been anticipating a figure of around 545,000 tonnes. The October position on the London futures market ended £1.25 down at £106.075 a tonne.

In Brussels the EEC Commission granted export licences covering 23,000 tonnes of white sugar and 12,000 tonnes of raws at its regular weekly tender.

Stockpile silver decision soon

BY NANCY DUNNE IN WASHINGTON

THE COMMITTEE appointed by the Reagan Administration to study the sale of silver from the U.S. strategic stockpile is awaiting an analysis by the Federal Emergency Management Agency (FEMA) which is re-evaluating the government's need for emergency supplies of silver.

If Fema, as expected, declare the stockpile still has too much silver, the committee is likely to recommend that silver sales be resumed — in one form or another.

Congress last year approved the sale of 105.1m troy ounces of silver between 1982 and 1984. In auctions conducted by the General Services Administration (GSA) last autumn, about 2m ounces were sold before Congress halted the sales and demanded that the Administration study the issue and report on it by July 1.

The committee is said to be divided about the effect of the silver sales on prices, now hovering around an abysmal $6. The majority of the committee seems to feel that the sales did not lower the price in the long run, and that the GSA did a "responsible" job in disposing of the 2m ounces. It is, however, disturbed about the idea of resuming sales at a time when prices are so low, and it is strongly considering alternative methods of disposal.

Two methods talked about are by selling it on the Commodity Exchange in New York and selling it off in commemorative silve rcoins.

Meanwhile, rumours circulated here that the continued low price of silver is partly the result of sales by the billionaire Hunt brothers, reportedly caught in a financial squeeze of high interest rates on their billion dollar loan and the low price of oil.

The rumour was discounted by a former Hunt associate in New York

Our Commodities Editor writes: The London bullion spot quotation for silver was marked down at the morning fixing by 2.6p to 310.15p ($5.45) a troy ounce—the lowest level since the end of 1978. However the market recovered slightly in the afternoon, reflecting the weakness of sterling.

London traders believe that the Hunt brothers may well have been selling some of their silver holdings, estimated to total at least 60m ounces, and the market is also depressed by the prospect of stockpile sales resuming.

Record Australian wheat crop hopes

By Michael Thompson-Noel in Sydney

RECORD shipments of wheat were achieved by Australia in the first half of the current shipping year, according to the Australian Wheat Board in Melbourne. It said yesterday that 7.59m tonnes were shipped in the six months to May 31, against the previous record of 7.4m tonnes in the December-May period 1980.

May shipments totalled 1.45m tonnes, following 1.48m tonnes in April and 1.66m tonnes in March.

The achievement has in large part restored the country's reputation as a reliable supplier of grain, following shipping delays earlier this year, caused by maritime and waterfront disputes.

Although the Australian export programme is still approximately 900,000 tonnes behind schedule, total exports are expected to reach 13.5m to 14m tonnes by the end of the year.

The board hopes to average at least 1m tonnes in wheat shipments for the rest of the year. Australia's main wheat markets are Japan, China, Iran, Egypt, and the USSR.

Dry weather is still affecting large areas of the Australian wheatbelt, and rains are badly needed in most of New South Wales, Victoria, and Queensland. However, Australian farmers are expected to sow a record 12m hectares tihs year.

World grain outlook better

WASHINGTON — The world grain harvest will set a record in the next 12 months and global reserves will grow in spite of increasing consumption and a poor crop in the Soviet Union, a U.S. government report said yesterday.

The Agriculture Department reported that the grain trade outlook had improved during the past month, mostly because of greater Soviet demand.

BRAZILIAN COFFEE

At the mercy of the frost

BY A CORRESPONDENT

EVER SINCE the disastrous frost of July 1975 there has been an annual outburst of excitement in the coffee market over the prospects of damage to the Brazilian crop.

From May to August each year the fluctuations of the temperature produce fears for the crop or relief if the danger passes.

The powerful influence of the experience of 1975 on the coffee market raises the question as to what causes such damaging frosts. To understand this capricious behaviour we need to know something about the way in which weather systems move in the Southern Hemisphere. The very different distribution of land and sea over the two halves of the globe means that they follow distinctly differing patterns.

In the Northern Hemisphere the mixture of oceans and continents with a large proportion of land at mid- and high altitudes results in the weather systems following meandering patterns. In any year these can get stuck in different positions. This means that in winter these snaking movements can lead to prolonged spells of extreme weather which produce marked variations from year to year.

In the Southern Hemisphere the ice-bound core of Antarctica surrounded by almost unbroken oceans produce a simpler pattern. It results in a very strong, almost circular motion which spreads cold air to lower latitudes than in the north.

But the uniformity of motion means only rarely do systems follow unusual courses for any length of time.

The one place where such anomalies may sometimes occur is over South America. Here the barrier of the Andes can divert the vigorous circumpolar circulation. This means that every now and then during the austral (southern hemisphere) winter, cold Antarctic air masses can be swept northwards across Argentina towards Brazil. They can be carried deep into the Amazon basin, drift harmlessly out into the South Atlantic, or score a direct hit on southern Brazil.

The intensity of the frosts depends not only on the path followed by the cold air masses but also their central pressure and the speed with which they move. The pressure is a measure of how much cold air is present in the anticyclone. The speed of movement effects how much the system warms up before it reaches Brazil.

Slow moving systems will warm up considerably, but if sufficiently intense will still contain cold dry air aloft. This can produce rapid cooling at night, especially in the upland areas where coffee is produced. Because the calm conditions lead to the formation of rime they are known as "white" frosts.

Much more dangerous are the faster moving high pressure systems which can combine freezing temperatures and high winds. Because of the winds, no rime is formed and these are known as "black frosts." It was an extreme version of these conditions with temperatures as low as −5C in the coffee producing areas which wreaked such havoc in July 1975.

Another important question is whether such frosts have become more common. It can be argued that damaging frosts are a regular feature of the local climate. In the early decades of this century notable frosts occurred every five years. In both 1953 and 1963 about half the crop was destroyed.

In recent years the incidence of frosts may have increased. Apart from 1975 there were serious setbacks in 1969, 1972 and last year as well as less dramatic events in 1978 and 1979. Possibly more significant is that as the region of production has moved northwards, the frosts seemed to have followed into areas which were previously thought to be free of frost.

These shifts could be due to natural causes or to the activities of man. As to natural causes, there is little evidence that the increase in frosts is the result of climatic cooling in the Southern hemisphere.

On the contrary, the available trend data suggests a warming trend in the past two decades. Indeed recent satellite observations of the extent of the antarctic pack-ice shows a dramatic reduction in the past few years to levels below any previously recorded.

As for the impact of man, a debate rages on whether deforestation and general changes in land use have led to a northward advance of the frosts. Also changes in methods of growing has made the coffee trees more vulnerable to frost.

Clearly such changes could have an effect at the local level, but it is much less obvious that they could result in climatic shifts over distances of the order of hundreds of miles.

What is certain is that as a general observation on past records, frosts can be expected almost anywhere in Brazil south of 20°S. Ironically, occasional bouts of cold weather, short of freezing, help to stimulate the flowering of coffee trees. So the variability of Brazilian weather has in many years contributed to the success of its coffee industry.

Zimbabwe may cut tobacco crop

BY TONY HAWKINS IN HARARE

A WARNING that Zimbabwe may have to cut tobacco production next season rather than maintain its policy of controlled expansion was given yesterday by the president of the Zimbabwe Tobacco Association, Mr Burt Palmer.

Addressing the ZTA's annual congress here Mr Palmer said that after a buoyant beginning, the market for flue-cured leaf had weakened. Manufacturers, suffering economic pressures due to escalating costs and rising taxes were seeking value for money. Mr Palmer said unless prices became "more realistic" in the next few months, production next year might have to be curtailed but he expressed confidence that demand for higher quality leaf would pick up in the second half of the sales season.

Zimbabwe produced a crop of nearly 91m kgs in 1981/82. So far, about one-third of the crop has been sold at an average price of 215 U.S. cents a kilogram which is 12 per cent down on last season's annual average price and weekly average prices are currently running some 20 per cent below last year's being achieved, since costs have risen by more than 15 per cent in the past year.

Last year, tobacco revenue totalled £91m and tobacco exports at £161m (including the rundown of previous stockpiles) accounted for 25 per cent of total exports. This year tobacco exports have been extremely disappointing totalling only 22,000 tonnes in the first five months of the year—a fall of some 55 per cent on 1981.

● In Washington meanwhile a house subcommittee voted to require farmers to bear the cost of federal tobacco price supports and deprive non-farming institutions like corporations of valuable government-issued tobacco acreage allotments.

UK farm rents higher

By Our Commodities Staff

THE AVERAGE rent paid by British farmers rose 127 per cent between October 1980 and October 1981 to £64.02 a hectare, according to statistics published yesterday by the Ministry of Agriculture. This followed a 16.7 per cent increase in the preceding 12 months.

On the 36 per cent of farms whose rents changed in the 1980-81 period, the average rise was 39.5 per cent with the highest level of 50.4 per cent being recorded in the West Midlands.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	33.20-33.40	—0.32
Iranian Light	33.25	—0.12
Arab Heavy	30.80-31.00	......
North Sea (Forties)	34.75-35.00	—0.13
African(Bonny L'ht)	35.00-35.50	+0.03
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	368-372	—1.0
Gas oil	274-284	—3.25
Heavy fuel oil	166.50-172	......

GAS OIL FUTURES

Prices eased in quiet conditions but reacted to the recent falls and rallied to the highs only to fall back again on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
June	278.50	+0.50	277.50-76.00
July	282.00	+1.00	285.00-79.50
August	284.00	+0.50	285.50-81.50
Sept.	284.00	+0.75	285.25-82.50
Oct.	286.75	+1.00	287.00-85.50
Nov.	289.50	+1.00	290.00-88.25
Dec.	291.00	......	291.50-91.00
Jan.	293.00	+1.00	295.00
Feb.	297.00	+3.00	—

Turnover: 1,721 (3,126) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1¾ an ounce in the London bullion market yesterday to close at $316¾-317¾. It opened at $316-317 and traded between a low of $315¾-316¾ and a high of $317½-318. The metal traded quietly for most of the day with little fresh news to influence trading.

In Frankfurt the 12½ kilo bar was fixed at DM 24,825 per kilo ($318.02 per ounce) compared with DM 24,660 ($317.02) and closed at $316¾-317¾ from $314½-315½.

In Paris the 12½ kilo bar was fixed at FFr 68,500 per kilo ($316.15 per ounce) in the afternoon against FFr 68,500 ($316.65) in the morning and FFr 67,500 ($312.16) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $316.75.

In Zurich gold finished at $316-319 from $314-317.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	£ per troy ounce		
August	182.50-2.75	+1.425	186.80-2.20
Sept'mb'r	184.25-4.70	+1.606	—
October	185.90-6.00	+1.150	—
November	187.65-8.40	+1.675	—
December	188.05-99.0	+1.575	—

Turnover: 380 (611) lots of 100 troy ozs.

	June 16		June 15	
Gold Bullion (fine ounce)				
Close	$316¾-317¾	(£180½-181)	$315-316	(£178¾-179¼)
Opening	$316-317	(£179¾-180¼)	$315-316	(£177¼-177¾)
Morning fixing	$316.66	(£179.945)	$315	(£178.339)
Afternoon fixing	$317	(£180.370)	$315	(£179.130)

Gold Coins June 16

Krugrnd	$326-327½	(£186-187)	King Sov	$85½-87	(£49-49½)
1/2 Krug	$166-167	(£95-95½)	Victoria Sov	$85½-87	(£49-49½)
1/4 Krug	$84½-85½	(£48¼-48¾)	French 20s	$69-71½	(£39½-40¾)
1/10 Krug	$34¼-35¼	(£19½-20¼)	50 pesos Mex.	$386¾-389½	(£221-222½)
Mapleleaf	$326-327½	(186-187)	100 Cor. Aust	$308½-310¾	(£176½-177¾)
New Sov	$75¼-76¼	(£43-43½)	$20 Eagles	$403-408	(£230½-233¼)

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL prices were generally stronger on the London Metal Exchange, In line with the weaker sterling, although the advances were mostly confined to a few pounds. Copper had a volatile day, with forward metal touching £752 before the close of £745, and there were suggestions that [illegible] support helped Tin to close at £5,895, with high-grade material at £5,940. Lead was finally £299. Zinc £385, Aluminium £540, and Nickel a little lower at £3,020.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3005-10½	+26.5	2990-3000	−7.5
3 months	3035-40	+21	3020-30	−15

COPPER — High Grde, Cathodes, Settlem't, U.S. Prod. [illegible]

TIN — High Grade, Standard, Straits E., New York [illegible]

LEAD — Cash, 3 months, Settlem't, U.S. Spot [illegible]

ZINC — Cash, 3 months, S'ment, Primw't [illegible]

ALUMINIUM — Spot, 3 months [illegible]

SILVER

Silver was fixed 2.6p an ounce lower for spot delivery in the London bullion market yesterday at 310.15p. [illegible]

COCOA

Futures weakened further on trade house hedging of West African sales and fresh speculative selling. Manufacturers showed modest interest on a scale-down basis, reports Gill and Duffus. [illegible]

COFFEE

[illegible]

GRAINS

Old crops opened lower, new crops little changed. [illegible]

June 136.75 quoted transhipment East Coast sellers. S. African White/Yellow June/July 85.00 seller. Barley: English Feed fob June 107.60 Boston. [illegible] July 106.50 East Coast, Sept 108 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: N. East 109.40, Scotland 110.00. The UK Monetary Coefficient for the week beginning Monday June 21 will change to 0.904.

RUBBER

The London physical market opened about unchanged, attracted little interest throughout the day, and closed barely steady. Lewis and Peat recorded a June fob price for No. 1 RSS in Kuala Lumpur of 205.0 (204.75) cents a kg and SMR 20 176.0 (same). [illegible]

SOYABEAN MEAL

The market opened about unchanged in thin conditions, reports T. G. Roddick. [illegible]

SUGAR

LONDON DAILY PRICE—Raw sugar £95.00 (same) a tonne cif June-July shipment. White sugar daily price £125.00 (same). [illegible]

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS [illegible]

SYDNEY GREASY WOOL [illegible]

POTATOES

LONDON POTATO FUTURES [illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	June 16 1982	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£815/815
Free Mkt.	$905/935	......	$955/985
Copper			
Cash h grade	£729	+8.5	£835
3 mths	£751.75	+6.5	£864.75
Cash Cathode	£720	+6	£825.5
3 mths	£743.75	+5.25	£855.25
Gold troy oz	$317.25	+1.75	$342.5
Lead Cash	£291	+5.5	£320
3 mths	£301.25	+5.75	£332
Nickel	£3922	......	£3974
Free mkt	240/270c	+2	255/265c
Platin'mtr oz'y	£260	......	£260
Freemkt.	£154.90	—0.85	£176.80
Quicksilvert	$370/380	......	$360/375
Silver troy oz	310.15p	—2.60	376.40p
3 mths	319.60p	—2.55	387.25p
Tin Cash	£5755	+7.5	£7010
3 mths	£5865	+22.5	£7127.5
Tungsten22.0lb	$111.68	......	$109.1
Wolfrm 22.4lbs	$111/114	......	$108/112
Zinc Cash	£387.5	+1	£415.5
3 mths	£388.75	+8.5	£423.75
Producers	$800	......	$860/900
Oils			
Coconut (Phil)	$505u	—5	$510
Groundnut	‡	......	$635
Linseed Crude	‡	......	‡
Palm Malayan	$482.5y	—17.5	$510
Seeds			
Copra Philip	$340	......	$335
Soyabean (U.S.)	$258.25	+1.25	$276.25
Grains			
BarleyFut. Sep	£104.80	—0.05	£104.50
Maize	£136.75	......	‡
Wheat Fut.Sep	£108.70	—0.05	£122.90
No.2HardWint	‡	......	‡
Other commodities			
Cocoa ship't*	£906	—15	£972.5
Future Sept	£875.5	—14.5	£942.5
Coffee Ft' Sept	£1125.5	+11	£1111.5
Cotton A.Index	75.60c	......	76.35c
Gas Oil July	$282	+1	$297.75
Rubber (kilo)	47.5p	—0.5	53.75p
Sugar (Raw)	£95u	......	£109
Woolt'ps 64s kl.	397p kilo	......	387pkilo

‡ Unquoted. x Aug-Sept. u June-July. w May-June. y July. † Per 76 lb flask. * Ghana coconut. n Nominal. § Seller.

INDICES

FINANCIAL TIMES

June 15	June 14	M'th ago	Y'ar ago
225.43	225.85	239.81	249.35

(Base: July 1, 1952 = 100)

REUTERS

June 16	June 15	M'th ago	Y'ar ago
1495.1	1493.0	1565.4	1747.7

(Base: September 18, 1931 = 100)

MOODY'S

June 15	June 14	M'th ago	Y'ar ago
974.2	988.0	1006.6	1084.8

(December 31, 1931 = 100)

DOW JONES

Dow Jones	June 15	June 14	Month ago	Year ago
Spot	121.26	119.73	126.04	—
Futr's	119.77	121.87	127.96	—

(Base: December 31, 1974 = 100)

547.0, untraded: Oct 543.0, 546.0, untraded: Dec 548.5, 555.0, untraded. Sales: 70.

COTTON

LIVERPOOL—No spot or shipment sales were reported. [illegible]

MEAT/FISH

SMITHFIELD—Pence per pound. [illegible]

AMERICAN MARKETS

NEW YORK, June 16.

The precious metals and copper attracted commission house short-covering. Coffee rallied on cold weather fears. A lower than expected U.S. quota level prompted selling in sugar. Livestock markets were influenced by a National Academy of Science report [illegible]

70.02 (72.02). Feb 69.02, Mar 69.37, May 69.25, July 69.25, Aug 68.65. [illegible]

WINNIPEG, June 16. [illegible]

Tuesday's closing prices

NEW YORK, June 15. [illegible]

CHICAGO, June 15. [illegible]

EUROPEAN MARKETS

ROTTERDAM, June 16. [illegible]

PARIS, June 16 [illegible]

HIDES—Leeds: [illegible]

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. [illegible]

INTERNATIONAL COMPANIES and FINANCE

Mexico extends deadline on $2.5bn credit again

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MEXICO has extended the subscription deadline on its current $2.5bn credit for a third time in a last ditch effort to drum up more support

The new deadline is tomorrow so that signing of the credit will also be delayed until June 30. It was announced amid reports that only $180m of the credit had been sold to second tier underwriters and $165m to smaller participants.

The second tier underwriters include two Mexican banks, Banco Internacional and Banca Mexicana Somex, each of which put up $50m. Among participants European banks put up only $4m and the largest regional grouping, banks in the Middle East, £50.5m.

These results had been achieved as of yesterday morning when about 115 of the 127 banks contacted at the second tier underwriters' level had replied to their invitations. About 475 banks replied from the 574 contacted at the participant level.

The extension of the deadline could leave time for some which have not replied to put up additional funds, though the syndication results already show that the credit has failed to elicit the type of broad support expected from banks in the Euromarket.

Reasons for this include worries about Mexico's economy and its large external borrowing needs of $25bn to $28bn. The anxieties have been exacerbated in recent weeks by problems at the private sector industrial group Alfa as well as the downgrading by Standard and Poors of the commercial paper rating of Nafinsa, the State development bank.

Similar concern in the bond markets has led to a sharp increase in the premium over the gilt-edged market posted by the recent Pemex bulldog bond. Yesterday this stood at 5.79 per cent. In Germany the recent 11 per cent Comision Federal de Electricidad bonds were trading at around 94.

Such a lack of enthusiasm places a particular burden on the larger banks who continue to support Mexico's credit. Unless they can sell the debt down in the marketplace, they are using up valuable space which could have been reserved for subsequent Mexican borrowings.

Already bankers are beginning to look for clues as to how Mexico will seek to get round this difficulty in future borrowing projects.

But half the $2.5bn credit will be used to retire the short-term Mexican debt held by lead managers in the credit, which limits the amount of new funds they will have to put up themselves.

Eurodollar bonds mark time

BY ALAN FRIEDMAN

THE Eurodollar bond market stabilised slightly in yesterday's trading and prices nudged ⅛ point higher on average. But dealers reported very light trading activity and Swiss investors are said to be staying out of the market.

The market was described as "dead" by a number of participants. One new issue manager commented: "We are telling our clients to forget about coming to this market for the time being."

The chronic problem of uncertainty over dollar interest rates continues to dominate the market and yesterday's reprieve was viewed as a pause after the shake-out of the past fortnight.

In the primary sector, the new Ohio Edison issue—rated triple-B minus by Standard and Poor's and single-B—Double-A by Moody's—is now changing hands at discounts of between 1¼ and 1½ per cent. The Canon and Chugai Japanese convertible bonds are still being quoted at prices of between 94 and 96.

In Switzerland, three private placements were announced, despite a soggy market. Kansai Electric Power is raising SwFr 100m through a five-year placement bearing a 6½ per cent coupon and managed by Union Bank of Switzerland.

A SwFr 35m convertible issue is being placed for Nippon Carbon through Credit Suisse. The five-year paper carries a 6¾ per cent yield indication and a conversion premium of about 5 per cent.

Hilti AG, the Liechtenstein machinery group, is offering SwFr 35m of five-year paper with a 6¾ per cent coupon. Credit Suisse is lead-managing the issue.

In the Euro D-mark bond sector, prices fell slightly amid very light trading activity. The new DM 100m Tenneco 9 per cent bonds traded at a bid price of around 98, against an issue price of 100. The DM 100m Philips Lamp 8¼ per cent bonds stood last night at 97½ bid, against an issue price of 99½.

● Gaz Metropolitain's C$30m eight-year issue through Wood Gundy has suffered from the surplus of Canadian dollar bonds and has been cut to C$20m. The coupon is 17½ per cent and the price has been fixed at 99½ to yield 17.43 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday July 13.

Closing prices on June 16

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86 97	150	99⅞	100¼	−0¼	−0¼	14.90
Amax Int. Fin. 16¼ 92	75	98½	100½	+0⅛	−1⅛	16.23
Amex O/S Fin. 14¼ 89	75	95½	95¾	0	−0⅜	15.32
APS Fin. Co. 16⅜ 89	75	100	100½	+0⅛	−0½	16.11
ATT 14¼ 89	400	100½	101	−0⅛	−0¼	14.03
Baker Int. Fin. 0.0 92	225	†25½	26	0	−0⅜	15.03
BHP Finance 14¾ 89	150	96½	96⅞	−0½	−1½	15.62
Bk. Amer. NT SA 12 87	200	89⅞	90⅜	−0⅛	−0¼	14.98
Bk. Montreal 14½ 87	100	97	97½	+0⅛	+0⅛	15.32
Bque Indo Suez 15 89	100	96⅛	96⅜	+0⅛	−1⅛	15.88
British Col. Hyd. 14¾ 89	200	97⅞	98½	−0⅛	−0⅜	15.21
Burroughs Int. 15⅝ 88	50	100½	101	+0⅛	−0⅝	15.49
Canadair 15½ 87	150	99⅝	100½	0	−0¼	15.47
Canadian Pac. 14⅜ 92	75	95⅞	96⅜	−0⅛	−0⅜	15.40
Carolina Power 16½ 89	60	100¼	101¼	+0⅛	−0½	16.17
CIBC 16 87	100	100¼	100⅝	−0⅛	−0⅜	15.81
Citicorp O/S 15 84/92	100	99½	99⅞	0	−0⅛	15.15
Citicorp O/S 15½ 85/97	125	100½	100⅝	+0¼	+0⅜	15.21
CNA 15⅞ 97	75	98½	99	0	−1⅛	16.06
Con. Illinois 15¾ 89	100	100⅛	100⅝	+0⅛	0	15.54
Duke Pwr O/S 15½ 89	60	97⅞	98⅜	−0⅛	−1⅛	15.96
Dupont O/S Cap. 0.0 90	300	34½	35	0	−0⅝	14.81
ECSC 14⅜ 87	50	97⅛	97⅝	−0⅛	−1	15.51
EIB 15½ 89	150	99⅛	99⅝	+0⅛	−0¼	15.60
Eksportfinans 14½ 89	50	95⅝	96⅛	−0⅛	−1	15.49
Gen. Elec. Credit 0.0 92	400	26¾	27¼	+0⅛	−0⅜	14.50
Gen. Elec. Credit 0.0 93	400	24	24½	0	0	14.20
Getty Oil Int. 14 89	125	96⅜	96⅞	0	−0¼	14.79
GMAC O/S Fin. 16 88	150	100	100½	0	−0⅜	15.86
GMAC O/S 15⅜ 85/97	100	98	98½	−0⅛	0	15.99
GMAC O/S Fin. 15 89	125	96⅛	96⅝	0	−0⅛	15.88
GMAC O/S Fin. 15 87	100	97⅞	98⅛	+0¼	+0½	15.63
Gulf Canada Ltd 14¾ 92	100	97⅛	97⅝	−0⅛	−0⅞	15.25
Gulf Oil 14⅛ 94	175	97⅜	98¼	0	0	14.59
Gulf Oil Fin. 0.0 92	300	26½	27	+0⅛	−0⅜	14.54
Gulf States O/S 16 90	60	97⅛	97⅝	0	−0½	16.52
Int-Am. Dv. Bk. 15⅛ 87	55	97½	98	+0⅛	−0⅜	15.69
Japan Dev. Bk. 15½ 87	50	101½	102	0	−0½	14.88
New Brunswick 16¼ 89	75	100⅝	101⅛	−0⅛	−0⅞	15.97
Ontario Hydro 14⅜ 89	150	98⅞	99⅜	−0⅛	−0⅛	14.93
Pac. Gas & El. 15¾ 89	80	102	102½	+0¼	−0¼	15.12
Pac. Gas & El. 15½ 89	45	100⅞	101⅛	+0⅛	−0½	15.24
J. C. Penney GI 0.0 94	350	20⅛	20⅝	+0⅛	−0¼	14.61
Phillips Petrol 14 89	200	94⅞	95⅜	+0¼	−0⅛	15.20
R.J. Rynlds O/S 0.0 92	400	26	26½	+0⅛	−0⅝	14.83
Saskatchewan 16 89	125	101	101½	0	−0⅜	15.63
Shell Canada 14⅜ 92	125	96¾	97¼	−0⅛	−0⅞	14.96
Spain 15⅜ 87	100	99½	99⅞	+0⅛	+0⅛	15.81
Superior O/S Fin 14 89	125	93⅞	94⅛	+0⅛	0	15.43
Swed. Exp. Cr. 15¼ 89	100	98⅛	98⅜	+0⅛	+0⅛	15.57
Swed. Exp. Cr. 14¼ 90	100	95⅜	95⅞	+0⅛	+0⅛	15.74
Swed. Exp. Cr. 0.0 94	200	19½	20	+0½	−0⅜	14.83
Union Carbide 14¾ 89	150	97⅞	98⅜	−0⅛	−0⅜	15.18
Wells Fargo I F. 15 87	75	98⅛	98⅝	−0⅛	−0⅜	15.44
World Bank 15¼ 88	250	99¼	99⅝	0	−0⅛	15.36
World Bank 14⅛ 87	500	95½	96	−0⅛	−0⅜	15.52

Average price changes... on day 0 on week −0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 9¾ 92	150	98⅞	99⅛	−0¼	+0¼	9.40
Australia 9⅜ 91	300	102⅜	102⅞	0	0	8.96
Australia 9⅜ 91	200	102⅜	102⅞	−0⅛	−0¼	8.93
Barclays O/S In. 8⅞ 94	100	95⅛	95⅝	+0⅛	+0⅛	9.02
Canada 8½ 89	200	100½	101	+0⅛	+0⅛	8.34
Comp. Tel. Esp. 10½ 92	100	99⅞	100⅜	0	−0¼	10.46
Crad. Foncier 8¾ 92	100	96	96½	0	−0⅜	9.34
Denmark 10 88	100	100⅜	101⅛	0	+0¼	9.80
Denmark 10⅛ 92	100	101⅝	102⅜	0	+0¼	9.78
EDF 9⅞ 92	100	100	100½	−0⅛	−0½	9.82
EEC 9¾ 94	200	101⅞	102⅜	−0⅛	−0⅞	9.42
EIB 8¾ 92	100	95	95½	0	−0⅛	9.12
Int.-Am. Dev. Bk. 9 92	150	97⅞	98⅜	−0⅜	−0½	9.31
Ireland 10⅛ 86	100	101⅛	101⅞	−0⅛	−0½	9.66
Nacnl. Financiera 11 90	150	98	98½	0	−0½	11.33
Nat. West. 9⅞ 92	100	102⅞	103½	−0⅛	−0⅜	9.35
OKB 9¾ 86	150	101	101½	−0⅛	−0⅜	9.43
Philip Morris 8⅞ 90	100	99½	100	+0⅛	+0⅛	8.29
Quebec 10¾ 92	150	102⅞	103⅜	−0⅛	−0⅜	9.64
Renfe 10 92	100	99⅛	99⅝	0	−0¼	10.08
Tauernautobahn 9⅞ 94	50	101½	102	0	0	9.61
World Bank 9¾ 89	100	101⅞	102⅜	−0⅛	−0⅛	9.10
World Bank 8½ 92	200	95⅝	96⅛	+0¼	−0½	9.17

Average price changes... on day 0 on week −0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 6¼ 92	100	100⅝	101	+0½	+0⅛	6.13
Asian Dev. Bank 7 92	100	100½	100¾	+0⅛	+0⅛	6.91
Aucalsa 7¾ 92	80	97⅜	97½	+0¼	−0⅞	8.14
Australia 6½ 94	100	103⅜	103⅞	−0¼	+0⅛	6.04
Cse. Nat l'Energie 7 92	100	102	102¼	+0⅛	+0½	6.69
CFE-Mexico 8¼ 92	50	98¾	99	0	+0¼	8.42
Co-op. Denmark 8⅝ 92	25	105	105⅛	0	+0½	7.60
Crown Zellrbch. 6¾ 92	100	100¼	100½	−0⅛	−1	6.89
Europarat 7¼ 92	100	100½	101	−0⅞	−0⅛	7.14
First City Fin. 8¼ 92	25	102¼	102½	−0½	−1¼	7.88
Ind. Fund Finland 6¾ 92	30	98¼	98½	−0⅛	0	6.98
Kobe City 6⅛ 92	100	100	100¼	−0⅛	+0¼	6.11
Kommunlane 7⅛ 92	35	100¼	101	+0⅛	+0⅛	7.12
Manitoba 7 92	100	104½	105	+0⅛	−0½	6.31
Mitsui OSK 6½ 92	100	100	100¼	−0½	0	6.48
National Pwr. Co 8 92	30	103¼	103½	+0⅛	+0⅛	7.47
Nippon T. and T. 6½ 92	100	102	102½	0	0	6.32
OKB 7¾ 92	100	104	104¼	0	+0⅛	7.14
Ost. Postspar 7½ 92	100	103⅜	103⅝	−0¼	+0⅛	6.98
Philip Morris 6⅝ 92	100	102⅞	103	−0⅛	−0⅜	6.22
Philip Morris 6⅝ 94	100	101⅛	101½	+0¼	+0⅛	6.19
Quebec 7⅛ 92	100	104¼	104½	−0¼	−0½	6.74
Renfe 7¾ 92	80	99	99½	+0⅛	−0⅛	7.88
Sekisui Pre. 5¾ 92 WW	70	103⅞	104⅛	−0⅜	+0⅛	5.22
Soc Lux de Cnt 8½ 92	80	106¾	107	+0½	+0½	7.00
Vorarlberg Kraft 6¾ 92	50	102¼	102½	0	+0¼	6.41

Average price changes. On day −0¼ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¼ 91	15	99	100	0	−1	8.32
Int.-Amer. Dev. 8⅞ 91	15	101¼	102¼	0	−0⅛	8.58
Japan Airlines 7½ 87	9	95⅞	96⅛	0	−0⅛	8.00
New Zealand 8⅛ 87	15	99⅝	100⅛	0	−0⅛	8.44
World Bank 8½ 92	20	98⅞	99⅛	0	−0⅜	8.56

Average price changes... On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 16 89 C$	100	†96¼	96¾	0	+0½	16.82
Can. Pac. S. 16½ 89 C$	50	†98½	98⅞	−0¼	+0⅜	16.71
Crd. Foncier 17¼ 89 C$	30	†99¼	99¾	0	+0⅛	17.22
Hudson Bay 17 89 C$	40	†98½	99	0	0	17.29
Q. Hyd. 16½ 89 (My) C$	50	†99½	100	+0½	+1½	16.54
Quebec Prov. 16½ 89 C$	50	†98⅞	99⅜	0	0	16.69
Simpsons 16¾ 89 C$	40	†95⅞	96⅜	+0⅛	−0⅜	17.76
U. Bk. Nwy. 9½ 90 EUA	18	88½	89¼	0	−0⅜	11.69
Amro Bank 10 87 Fl	150	98⅞	99⅜	0	−0⅞	10.22
Bk. Mees & H. 10 87 Fl	75	98½	99	−0⅛	0	10.32
Eurofima 10½ 89 Fl	50	100	100½	0	−0¼	10.43
Ireland 10½ 87 Fl	75	98½	99	+0⅛	−0½	10.80
Phil. Lamps 10¼ 87 Fl	100	99⅞	100⅜	+0⅛	−0⅜	10.20
World Bank 10 87 Fl	150	98⅛	98⅝	0	−0¼	10.43
OKB 14 86 FFr	400	93½	94½	0	+1½	16.21
Solvay et C. 14¾ 86 FFr	200	92½	93½	+0⅛	+0⅛	17.36
Acona 14 85 £	20	95¾	96¾	0	−0⅞	15.38
Beneficial 14½ 90 £ (D)	20	89⅜	90⅜	0	+0⅛	16.49
BNP 13½ 91 £	15	93¼	94½	0	+0⅛	14.70
CECA 13½ 88 £	20	95½	96½	−0⅛	+0⅛	14.45
Fin. Ex. Cred. 13¾ 86 £	15	96	97	0	+0⅛	14.97
Gen. Elec. Co. 12⅜ 89 £	50	92½	93½	+0⅛	−0⅜	14.15
Hiram Walker 14¼ 86 £	25	97⅞	98⅞	0	−0⅞	14.79
Privatbanken 14½ 88 £	12	94⅜	95⅜	+0¼	+0⅛	15.83
Quebec 15½ 87 £	35	101⅞	102⅝	0	−0¼	14.76
Reed (Nd) NV 16¾ 89 £	25	103½	104⅛	−0⅛	0	15.56
Royal Trustco 14 86 £	12	97⅜	98⅜	0	−0¼	14.57
SDR France 15½ 92 £	30	99⅞	100⅝	0	−0⅜	15.41
Swed. Ex. Cr. 13¾ 86 £	20	97⅞	98⅛	0	−0⅜	14.46
Eurofima 10½ 87 LuxFr	500	95½	96½	−0⅛	0	11.51
EIB 9¾ 88 LuxFr	600	91¼	92½	−0⅛	−0⅜	11.81

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	98⅛	98⅝	15/10	15.69	15.95
Bank of Montreal 5½ 91	0¼	98½	99	29/10	15⅜	16.32
Bk. of Tokyo 5¼ 91 (D)	0¼	98⅞	99⅛	8/12	15¼	15.38
Bk. Nova Scotia 5¼ 93	0¼	98¾	99¼	29/10	15⅜	15.28
BFCE 5¼ 88	0¼	99	99½	28/10	15	15.11
BFCE 5½ 87	0¼	99⅜	99⅞	27/7	16¼	16.31
Caisse Nat. Tele 5¼ 90	0¼	99⅛	99⅝	21/10	15⅜	15.35
CCCE [illegible]	0¼	98¼	98¾	11/12	15⅝	15.61
Co-Ban[illegible]fin 5½ 91	0¼	99	99½	14/10	16	16.12
Credit A[illegible]ole 5¼ 97	0¼	99	99½	24/9	15.44	15.55
Credit Lyonnais 5¼ 97	0¼	99¼	99¾	1/10	16	16.08
Credit Nat 5¼ 94	§0⅛	98¾	98⅝	9/9	14.69	14.91
Denmark, Kngdm. of 92	0¹⁄₁₆	†99⅛	99⅝	25/8	15.44	15.54
Den Norske Cred. 5½ 93	0¼	97⅞	98½	4/12	15	15.29
Ind. Bank Japan 5¼ 88	0⅛	99⅜	99⅞	12/11	14½	14.55
Ireland 5⅛ 89/94	0⅛	†98½	99	25/11	14⅝	14.94
Kansallis Osaka 5½ 92	0¼	99⅛	99⅝	6/11	15.31	15.41
Lloyds Eurofin 5¼ 93	§0⅛	99⅛	99⅝	29/10	17⅛	17.23
Long Term Cred. 5¼ 92	0¼	98¼	98½	29/11	14⅝	14.87
J. P. Morgan 5¼ 97	§0⅛	98¾	99¼	12/8	14⅝	14.77
Nat. West. Fin. 5¼ 91	§0⅛	99⅛	99⅝	15/7	15.19	15.28
New Zealand 5⅛ 87	0⅛	99½	99⅝	7/10	15.56	15.64
Nippon Credit 5⅛ 90	0⅛	99⅛	99⅝	10/8	16.06	16.16
Offshore Mining 5⅞ 91	0¼	98⅞	99⅜	2/12	14.19	14.31
PKbanken 5 91	0¼	99	99½	17/6	14⅛	14.48
Scotland Int 5¼ 92	0¼	98¾	99¼	23/9	15⅜	15.53
Sec. Pacific 5¼ 91	0⅛	99⅜	99⅞	24/11	15	15.06
Societe Generale 5¼ 95	0¼	99⅛	99⅝	1/9	15.31	15.41
Standard Chart. 5¼ 91	0¼	98⅞	99⅜	18/11	14⅞	15.04
Sumitomo Fin. 5½ 88	0¼	99⅛	99⅝	9/8	16	16.09
Sweden 5⅛ 89	0⅛	99	99½	26/8	15.31	15.43
Toronto Domin'n 5¼ 92	0¼	98⅞	99⅜	11/8	16⅜	16.52

Average price changes.. On day 0 on week −0⅜

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	79⅛	81¼	−1¼	1.02
Bow Valley Inv. 8 95	4/81	23.12	99	100½	0	65.65
Bridgestone Tire 5½ 96	3/82	470	81½	83	+0½	−2.16
Canon 6¾ 95	1/81	829	82½	84½	−0¼	4.18
Daiwa Secs. 5½ 96	12/81	513.3	†62½	64½	−0½	1.81
Fujitsu Fanuc 4½ 96	10/81	5641	81	83	+1½	11.97
Furukawa Elec. 5¼ 96	7/81	300	88	89	−0⅞	−3.80
Hanson O/S Fin. 9½ 96	8/81	1.36	†93	94	0	−9.19
Hitachi Cable 5¼ 96	2/82	515	81⅛	82⅝	−0⅛	−2.46
Hitachi Cred. Con. 5 96	7/81	1612	73¾	75½	+1¼	8.51
Honda Motor 5½ 97	3/82	841	80	81½	−0½	0.79
Inchcape 8 95	2/81	4.95	†60	61½	0	24.25
Kawasaki 5½ 96	9/81	229	58½	60	−0½	4.58
Marui 6 96	7/81	846.4	97⅞	100⅜	−0⅜	4.61
Minolta Camera 5 96	10/81	826.4	58½	60	−0½	22.25
Minorco 9¾ 97	5/82	8.16	†83½	85	0	42.08
Murata 5½ 96	7/81	2188	66⅛	67¾	−1⅛	15.24
NKK 6½ 96	7/81	188	68	69⅛	0	−24.39
Nippon Chemi-C 5 91	10/81	919	82	84	0	20.87
Nippon Electric 5¼ 97	2/82	846	87½	89	−1	3.69
Orient Finance 5⅞ 97	3/82	1205	87½	89	0	11.30
Sanyo Electric 5 96	10/81	652	64½	66	−1⅛	9.91
Sumitomo Elec. 5½ 97	3/82	577.3	83⅛	84⅝	−1⅛	2.64
Sumitomo Met. 5¼ 96	10/81	296.1	62	63½	−0½	38.73
Swiss Bk. Cpn. 6¾ 90	9/80	191	72½	74½	−1½	27.11
Konishiroku 6 90 DM	2/82	585	99½	100½	−1⅛	4.00
Mitsubishi H. 6 89 DM	2/82	263	89⅜	90⅜	−0⅜	20.62

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Citicorp succession remains in doubt

By Our New York Staff

THE succession at Citicorp, the holding company which owns Citibank, second largest U.S. bank in terms of assets, is becoming the source of increasing frustration for the banking community and Wall Street.

Mr Walter Wriston, chairman, is due to retire in August 1984 when he reaches the mandatory retirement age of 65.

A clue of the probable candidate to take over was expected to emerge this week when Citicorp announced a senior management reshuffle to fill two key positions in the bank's executive.

The changes were necessary because Mr William Spencer, Citicorp president, and Mr Edward Palmer, chairman of the executive committee reach their mandatory retirement age this summer.

But Mr Wriston has decided to keep everybody guessing and the competition for his job going. He announced the appointment of three vice-chairmen, all of whom are regarded as hot candidates for his seat.

The three are Mr Hans Angemueller, Mr John Reed and Mr Thomas Theobald.

Mr Angemueller is 57, has been in charge of the bank's legal and external affairs and as vice-chairman has been given responsibility for evaluating the risks in lending to foreign countries.

Mr Reed is 43 and has headed consumer banking operations. He will be responsible for Citicorp's worldwide communications activities.

Mr Theobald is 45 and has been in charge of the bank's business with companies, institutions and governments all round the world. He will be in charge of investor relations.

Meanwhile, Bankers Trust Company, another large New York bank, is adopting a more open approach to promotion. It announced yesterday that Mr Charles Sanford, who has headed the bank's worldwide funding and trading operations, will become its president when Mr John Hannon retires at the end of this year.

Strike over job security hits Schlitz

By Our Financial Staff

A STRIKE has hit production at three plants of Jos Schlitz, the number three in the U.S. brewing industry which agreed in April to be taken over by the smaller Stroh Brewery.

The strike, over wages and job security, has affected plants at Tampa, Florida, Winston-Salem, North Carolina and Longview, Texas.

Mr Charles Klare, secretary-treasurer of the Teamsters' Union's brewery and soft drinks division, said the walk-out followed three months of unproductive negotiations and the union's rejection at the weekend of a company contract proposal. Schlitz was unavailable for comment.

The action follows the announcement on Tuesday of a new board of directors for Schlitz. Mr Peter W. Stroh, chairman and chief executive of Stroh is to assume the same positions at Schlitz. Mr Frank J. Sellinger will continue as vice-chairman, and Mr Roger Fridholm, president and chief operating officer for Stroh, is to assume the same position at Schlitz.

Alcan postpones decision on smelter plan

By Robert Gibbens in Montreal

ALCAN ALUMINIUM has postponed indefinitely a decision on its proposed 200,000 tonnes smelter near Winnipeg, Manitoba, because of the world recession and other factors.

The company has been studying the feasibility of the smelter for two years, but cannot foresee the market justification for going ahead.

In the first five months this year its Canadian smelters have maintained much higher operating rates than the industry in general in North America and Europe. But these have weakened this month, and prices show no sign of recovering in the face of continually rising costs.

Cummins sees deficit

By Our Financial Staff

CUMMINS ENGINE, the leading U.S. diesel-engine specialist, expects to report an after-tax loss for the second quarter of this year. In the corresponding period last year, the company showed earnings of $41.1m or $3.47 a share on sales of $517.8m.

Cummins said that although the outlook for the third quarter was uncertain, an after-tax loss for that quarter was also "probable." In the third quarter of 1981, it had a net profit $22.4m or $2.52 a share on a $477.6m turnover.

Drysdale Securities fails to survive its subsidiary

BY PAUL BETTS IN NEW YORK

DRYSDALE SECURITIES, the Wall Street securities brokerage firm which set up Drysdale Government Securities is going out of business.

The firm, which was founded in 1889, had sought in recent weeks to dissociate itself from the default last month of its government securities trading offshoot, and to assure the markets that it was financially and operationally secure.

But it appears that the events of the past weeks have been too much for Drysdale to withstand.

Mr Peter Wasserman, the firm's president, would not attribute the decision to liquidate Drysdale Securities to the problems of Drysdale Government Securities. He said it was "a business decision," but acknowledged that the Government Securities affair "did not help."

The Government Securities offshoot sparked a crisis which spread throughout the New York credit market when it failed to meet interest payments totalling $160m on securities it had borrowed.

The default directly involved Chase Manhattan and Manufacturers Hanover Trust, the two large New York banks, which had lent out securities to Drysdale Government Securities.

Drysdale Securities had repeatedly emphasised that it was separate from its offshoot in all areas of management and operations.

It subsequently transpired, however, that the relationship between the two companies appeared to be far closer than earlier indicated. To set up Drysdale Government, the firm had transferred significant government securities positions to the new offshoot, and acquired $5m in preferred stock from the new company.

After the collapse of Drysdale Government, the firm said its capital was in excess of $5m after writing off its entire investment in the offshoot.

Drysdale's problems appear to have been caused by the nervousness of the market with banks and securities dealers concerned about being associated with Drysdale following default.

AT & T earnings rise by 8.5%

BY OUR NEW YORK STAFF

AMERICAN Telephone and Telegraph, the dominant telephone company in the U.S., announced an 8.5 per cent increase in its earnings for the quarter ended May 31 compared with a year earlier.

Earnings totalled $1.66bn compared to $1.53bn on revenues 15.5 per cent higher at $16.1bn. At the per share level, AT&T advanced from $1.94 to $1.96.

Total operating expenses and taxes rose 16.6 per cent over the same period last year to $13.5bn.

The company said long distance calling volumes grew 4.2 per cent compared with 7.4 per cent last year.

In the latest quarter, return on average common equity of $56.7bn was 11.5 per cent compared to 11.8 per cent on $50.6bn.

Return on average total capital of $114bn was 9.7 per cent compared to about the same ratio of 9.67 per cent on $105bn.

AT&T is the parent company of the Bell System. Its 22 operating telephone subsidiaries serve about 142m telephones, about 80 per cent of the U.S. total.

The company blamed the narrow margin of improvement in its earnings on U.S. economic problems.

"Given a slowing in the rate of growth, the improvement in earnings reflects the success of the Bell operating company management in keeping a tight rein on expenses while continuing to deliver high-quality service," the company said.

Esselte lifts profit and payout

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ESSELTE, the Swedish office supplies, graphics and packaging group, increased earnings by SKr 11m to SKr 292m ($48.7m) in the year ended March, 1982. This is slightly better than forecast at the nine-month stage.

Adjusted earnings are unchanged at SKr 21 a share. The board proposes to raise the dividend to SKr 8.50 a share against the SKr 7.65 paid for 1980-81, at a cost of SKr 66.1m, against SKr 51m.

Group sales climbed by 18 per cent to SKr 5.6bn ($960m). The increase is 16 per cent after adjusting for units bought and sold during the year.

Group operating profit rose from SKr 366m to SKr 447m but net financial costs jumped from SKr 84m to SKr 155m.

However, Esselte has now arranged to sell the Stanley Gibbons Stamp Company which formed part of Letraset, the British graphics concern which it bought during the year. Together with the proceeds from the sale of some other units this will release about SKr 175m in capital which will be used to reduce debt and ease interest charges. All the companies sold were running at loss.

Esselte regards the business outlook as brighter than it was a year ago and is forecasting an 18 per cent growth in sales to around SKr 6.6bn in 1982-83. The Letraset company will help to improve the profit margin, and earnings are expected to rise faster than sales this year, it said.

Currency exchange gains of SKr 23m and a net extraordinary loss of SKr 50m, attributed mainly to restructuring costs, reduced the 1981-82 pretax profit to SKr 265m before appropriations.

A net profit after tax of SKr 164m is down compared with SKr 92m for the previous year.

$10m loan for GM's Taiwan venture

By Robert King in Taipei

HUA TUNG Motor Corporation, a joint venture between General Motors and several Taiwanese companies yesterday received Taiwan government approval of a $10.5m loan from the state-owned Bank of Communication. Hua Tung is Taiwan's only producer of heavy-duty trucks and buses.

The loan is part of a long-term package of about $105m the company is seeking from the bank, which is one of its minority shareholders, and is earmarked for construction of its proposed plant in Chungli, about 32 km south of Taipei.

The rest of the $105m package is to go for the purchase of equipment for the plant, such as engine - manufacturing machinery. The Chungli plant is scheduled to begin operations next May, and manufacture of engines should commence by mid-1983.

Taiwan's Executive Yuan, the highest branch of government, has scheduled a meeting with governmental planning agencies on June 24 to discuss the remainder of the loan proposal, as well as a request by Hua Tung for an extension of a one-year ban on imports of Japanese-made trucks similar to the ones produced by the company.

Hua Tung executives maintain they had an informal agreement with officials before last November's Cabinet shuffle that the Government would ban Japanese imports until Hua Tung had a chance to establish itself in the domestic market. The Japanese-made vehicles are about 30 per cent cheaper

Hua Tung claims that the one-year ban on imports imposed last February by the present Economics Minister will prove insufficient to improve Hua Tung's competitive position. Some 1,700 Japanese-made trucks are believed to be either stockpiled in Taiwan or in transit.

The Taiwanese company has sold only 70 trucks since the first vehicles rolled off the line last February 30. By contrast, Japanese-made trucks have been selling at the rate of 40 to 100 a month. The Government last Thursday agreed to buy 300 vehicles from Hua Tung, valued at about $10.5m, in exchange for the short-term loan in the same amount from the Bank of Communications, which amounts to a pre-payment on the purchase of the trucks.

Pirelli SpA boosts profits and payout

BY JAMES BUXTON IN ROME

PIRELLI SPA, the Italian-based holding company of the cables and tyres group, increased its profits to L25.6bn ($18.8m) in the year ended April, 1982, thus continuing the favourable trend which began in 1979. In the previous financial year profits of L18bn were achieved.

The improved performance of the company, which handles the Italian and most of the EEC interests of the group, benefited from the turnround in the fortunes of Industrie Pirelli, the Italian operating company, which returned to profit in 1980 for the first time in a decade. The sales of the whole Pirelli group worldwide last year amounted to L5,100bn.

Pirelli SpA is increasing its dividend from L80 to L90 per share, on capital of L195.5bn.

Shareholders are to be asked to approve the issue of L80bn worth of bonds at a variable interest rate, related to the Italian prime rate.

Pirelli last year ended its 10-year union with the British company, Dunlop. Now Pirelli SpA and the other main holding company in the group, the Basle-based Societe Internationale Pirelli, are in effect to merge, to form a new company called Pirelli Societe Generale, which will also be based in Basle.

● Net debt of Montedison, the Italian chemicals group, stood at L4,357bn ($3.2bn) at the end of 1981, against net assets of L418bn.

The group's annual report said the reduction in net assets, which does not take into account the L640bn capital increase of February 1982, would have been larger but for a L180bn revaluation of Servizi Elettrici Montedison, its electrical unit.

Montedison recently reported a L598bn loss for 1981.

Italian bank cuts Swiss holding

BY RUPERT CORNWELL IN ROME

BANCA Commerciale Italiana (BCI), one of the three major banks controlled by IRI, the state-owned conglomerate, yesterday announced an outline agreement to sell a 33 per cent stake in Banca Della Svizzera Italiana to Irving Trust Company of New York.

The value of the deal, which will become operative early next year, is said to be $105m. After completion, BCI will still retain a 7 per cent interest in its Swiss associate, the seventh largest non-quoted bank in Switzerland with a total balance sheet at the end of 1981 of $2.2bn.

The acquisition will give Irving an important foothold in the Swiss banking community. Banca Della Svizzera Italiana has affiliates in Luxembourg and Munich.

Meanwhile, BCI has also secured approval from the U.S. Federal Reserve Board to acquire Litco Bancorporation of New York, in a deal worth $93m.

BCI is to pay around $35 per share for the common stock of Litco. The Italian bank, under the original outline agreement of last year, is also due to inject about $20m of new capital into Litco.

Banca Della Svizzera Italiana is the largest bank headquartered in Switzerland's Ticino canton. It offers a full range of commercial and investment banking services and is a member of the Zurich Stock Exchange.

Irving said: "This purchase provides us with an excellent way to expand our activities in the Swiss market. It allows us to participate in a rapidly growing and highly successful institution."

The deal represents Irving Trust's first move into Switzerland. Through its control of Long Island Trust, Irving is a banking company with end-1981 assets of around $1bn. It has 48 branches in New York State and is represented in the Bahamas.

Brazil operation puts RSV in the black

By Walter Ellis in Amsterdam

THE DUTCH shipbuilding group, Rijn-Schelde-Verolme, made a net profit of Fl 22m ($8.2m) in the first five months of this year, despite a Fl 2m loss by the home yards. Continuing success by the company's Brazilian offshoot contributed profits of Fl 24m.

Contrary to the company's earlier expectations, no profit is likely this year from the manufacture of coal-cutting machinery for the U.S. The U.S. coal market has gone into recession and there is thought to be little chance now of further immediate aid for development of the machinery from potential U.S. customers.

A positive result for 1982 as a whole is expected by RSV, but because of the difficulties experienced by buyers worldwide it is thought that the total for the year will not be as good as for the first five months. The group incurred a loss of Fl 8.4m in 1981.

Zschokke lifts earnings

By Brij Khindaria in Geneva

ZSCHOKKE, the major Swiss construction group, reports a 12.5 per cent increase in net profits from SwFr 3.8m to SwFr 4.2m ($2m) for 1981.

Turnover increased from SwFr 465m in 1980 to SwFr 534m, comprising a 31 per cent rise in foreign business compared with a 6 per cent increase within Switzerland.

But activity within Switzerland, which provides two-thirds of the total business, was more profitable than that abroad. Foreign business has already begun to show a small decline, and overall this year turnover is expected to show little growth.

In the medium term Swiss construction activity is expected to be flat compared with the past three years. The main reason for stagnation is rising building costs and possible price cutting among Switzerland's 2,000 construction companies.

Sabanci shows strong advance

BY METIN MUNIR IN ANKARA

SABANCI, the banking, insurance and manufacturing company which claims to be the largest privately-owned group in Turkey, reports higher sales and profits for 1981.

Net earnings rose by 45 per cent to the equivalent of $124m following an increase in sales to $2.09bn from $1.14bn in 1980. Mr Sakip Sabanci, the chairman, says that the group achieved strong growth in all divisions.

The operations of the family-owned group, run by the five Sabanci brothers, centre around more than 80 separate companies, of which 35 are consolidated. Manufacturing, including textiles, cars, cement and tyres, account for 55 per cent of total turnover. Akbank, the largest private bank in Turkey, is also part of the group.

Like many other private industry groups, Sabanci is concentrating on exports to compensate for slack domestic demand. Exports in 1981 totalled $131m, compared with $54m in the previous year, notably through sales of synthetic fibres, tyres and tyre cord fibres. The export target for 1982 is $200m.

Mr Sabanci says the target for 1982 is to increase turnover by 70 per cent. The industrial divisions will try to become more productive and aim for higher capacity usage.

Investments totalling about $200m are planned, compared with capital spending in 1981 of $90m. The new funds are earmarked for efficiency improvements.

Mr Sabanci says that his group is planning two new major investments in 1982, one in industry and the other agriculture. Discussions are under way between Sabanci and Kenward of the U.S. for the construction of a plant which will manufacture trailers, lorries and buses in the south-east of Turkey. An investment of $10m is planned. The plant is scheduled to become operational next year and has an export target of $240m.

In agriculture, Sabanci will supply the knowhow and technology for a leading international foods manufacturer to establish an integrated industry on the family estates in Adana.

Koc hit by narrower margins

BY OUR ISTANBUL CORRESPONDENT

KOC, THE Turkish motor, steel and consumer groods group, did little better than break even for 1981.

Pre-tax profits improved by 16 per cent to the equivalent of $85m, but after tax and every other provision "the result is reduced to almost zero," says Mr Rahmi Koc, the vice-chairman.

Sales rose by 70 per cent to $2.07bn but the upturn was heavily influenced by Turkish inflation and the first-time inclusion of 15 new companies within the group.

At the same time Koc's margins have been under extreme pressure. The return on sales narrowed by almost a third from 6.1 per cent in 1980 to 4.2 per cent last year.

Koc is a major concern in the automotive sector and in the manufacture of durable and non-durable goods. The motor division alone constitutes about half of sales. Last year weak demand hurt passenger car sales. The heavy industry division and many products utilised by the construction industry are also in the doldrums.

Asil Celik, which manufactures specialty steel, was particularly badly hurt and is being bailed out by a government-sponsored equity injection of about $90m.

The two main problems faced by Koc are:

High interest rates ("we worked for the banks last year") and the inability to lay off workers as a result of government regulations.

Like many other businessmen in Turkey, Mr Koc has turned his attention to exports. These grew to $103m in 1981 from $45m in 1980. The target for 1982 is $150m.

Mr Koc says that returns in the first five months of this year pointed to a 40 per cent increase in turnover for 1982.

Record turnover for Turkish builder

KUTLUTAS, one of Turkey's largest construction and textile groups, reports a record turnover of $137m for 1981, an increase of more than 30 per cent. Net income more than trebled to $10m, writes our Istanbul Correspondent.

The family-owned group has weathered Turkey's abating economic crisis virtually unscathed, helped by diversification and overseas construction activities. It is looking forward to further rapid growth in 1982. Exports are expected to grow from about $10m in 1981 to $30m this year.

The group has set itself some eye-catching targets for sales and profits growth in 1982. Turnover is expected to rise to $226m while net earnings are apparently set to rise to $35m.

INTERNATIONAL APPOINTMENTS

Senior posts at Firestone Tire and Rubber Co.

● FIRESTONE TIRE AND RUBBER COMPANY, Akron, Ohio, has appointed Mr Leon R. Brodeur as president, chief operating officer and a director. As president and chief operating officer he succeeds Mr John J. Nevin who remains chairman and chief executive officer. Mr Brodeur had been a corporate executive vice-president and president of North American tyre operations. Mr George W. Aucott has been appointed president of Firestone's newly-created worldwide tyre group, which includes the former Firestone North American and international tyre groups. Mr Aucott had been president of the international group and a corporate executive vice-president.

● Mr A. J. Kucera, Jr, has joined the SKYTOP BREWSTER COMPANY as president. Mr Kucera had previously beenu employed by Sii Drilco as president. The Skytop Brewster Company, headquartered in Houston, Texas, is a wholly-owned subsidiary of Newconex Corporation.

● For the first time in its 110 years' history, the SWEDISH CLUB of Gothenburg has elected international members to its governing board. Mr J. R. Peterson of Getty Oil, Los Angeles, Mr John Samartzis of Oceanmaid Shipping, Piraeus and Mr Ng Siong Tee of Kontiki Enterprises, Singapore, have all been made international directors.

● AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION has elected Mr Michiya Matsukawa, senior adviser of the president of the Nikko Securities Company, and Mr Bruce MacLaury, president of the Brookings Institution, to its board. Mr Matsukawa has held a number of key finance positions within the Japanese Government, most recently as special adviser to the Minister of Finance, from 1978 to 1980. Mr MacLaury was president of the Federal Reserve Bank of Minneapolis.

● Mr Andrew M. Smith, previously BARING BROTHERS ASIA director resident in Kuala Lumpur, has succeeded Mr Nigel Melville as director in charge of its Singapore office. Mr Melville has returned to the London office of Baring Brothers and Company. In addition Mr J. H. T. Russell has been appointed a director of Baring Brothers Asia from July 1 and will be based in the Hong Kong office.

● The Linde division of UNION CARBIDE CORPORATION has made the following appointments: Mr H. William Lichtenberger becomes vice-president and general manager for gas products, Mr Joseph R. Clark is appointed vice-president, marketing, and Mr Gerald D. Albertson is appointed vice-president of the Tonawanda (NY) Operations.

● Mr Bruno de Kalbermatten has succeeded Mr Pierre Payot as chairman of BOBST S.A., Lausanne.

● Mr George Baker has been appointed executive director in charge of corporate banking at LLOYDS INTERNATIONAL, Lloyds Bank's International's Australian merchant banking subsidiary. Mr John Eggleshaw has become executive director for international merchant banking services.

● Mr Herman de Groot has been appointed director sales for BORG-WARNER CHEMICALS Europe. Mr de Groot was responsible for setting up the new marketing department as marketing and market services manager. Mr David Deeds has been appointed director marketing. He was recently promoted to business services manager.

● NABISCO BRANDS has appointed Mr H. F. Powell as president and chief executive of Nabisco Brands Limited, a new Canadian company formed from the combination of Christie Brown & Co and Standard Brands. Mr Powell was senior vice-president of Nabisco Brands in New York.

هكذا من الأصل

Recovery pinned on migrant worker routes

Middle East beckons PAL

BY EMILIA TAGAZA IN MANILA

JOBS OFFERED in the Middle East have been one of the most effective contributions to solving two of the Philippine Government's most vexing problems—rising unemployment and a widening payments deficit. The government-run Philippine Airlines (PAL), battered by soaring losses during the last two years, is also now pinning its hopes on this market for a turnround this year.

During the last five years, the traffic of Filipino contract workers moving between Manila and the Middle East has been heavy. An average of 110,000 workers find jobs abroad each year and of these, 77 per cent are taken on in the Middle East, mostly in Saudi Arabia. The Ministry of Labour and Employment estimates that in Saudi Arabia alone, about 50,000 Filipino workers found jobs last year.

PAL has long been eyeing the Manila-Saudi Arabia route, having recognised a gold mine in the constant stream of contract workers between the Kingdom and the Philippines. Finally, in March, an air agreement was reached allowing PAL and Saudia, the Saudi Arabian national airline, to exchange services from July. Mr Roman Cruz, Jnr, says: "If any single route or factor will help us break through, it is the operation to Saudi Arabia."

The new route has radically changed Mr Cruz's projections for his airline. Late last year, he was saying that 1984 would be PAL's turnround year, and that no profits could be made before that. Today he is oozing confidence that PAL will make a profit this year because of the opening of new routes to the Middle East. Mr Cruz now sets a net profit target of 120m pesos (U.S.$15m) for 1982. PAL's losses in 1980 and 1981 totalled 990m pesos (U.S.$124m).

The Philippine Government itself has profited greatly from the flow of Filipino workers to Saudi Arabia and other Arab states. Overseas jobs have served as a safety valve for brewing labour unrest in the Philippines, where unemployment has reached over 10 per cent, and real wages have been almost static. Moreover, earnings from this manpower export have helped considerably in bridging balance of payments deficits, as they are now the biggest single contributor to the country's foreign exchange coffer.

PAL will serve the Saudi Arabia route with three-weekly flights to Dharan on Boeing 747s. Apart from Saudi Arabia, PAL negotiators are also working to get landing rights to Kuwait, Abu Dhabi and Iraq, where the Filipino contingent of workers is also growing. Before the air treaty with Saudi Arabia, PAL's only Middle East stops were in Karachi and Bahrain.

With eyes now set on the Middle East, PAL is slowly playing down its trans-Pacific flights, which have traditionally been its backbone. Mr Cruz says that the trans-Pacific route has lost much of its profit potential because of cut-throat competition amongst American and Asian airlines. Fare-cutting had substantially cut airlines' incomes.

The downgrading of trans-Pacific flights means that whereas in the mid-1970s they accounted for over 60 per cent of PAL's international revenue, the count now is 40 per cent.

The past two years have been the most disastrous for PAL. In 1980, it went into the red with a jolting loss of 395m pesos (US$49m) from the previous year's profit of 12m pesos. Last year it nosedived again, with the net loss reaching 595m pesos (US$74m). It was necessary for the Government to infuse US$66m in fresh capital.

Mr Cruz attributes the losses to runaway fuel prices and to wildly gyrating interest rates. PAL had, he says, suffered much more from fuel prices because it takes on 45 per cent of its requirements in Manila, where fuel is about 36 per cent dearer than the average in other cities along its route.

Mr Roman Cruz, chairman and president of Philippine Airlines

Another big blow to PAL's operations in 1980 and 1981 were spiralling financing charges, which last year amounted to 498m pesos, equal to 80 per cent of its total loss. Most of the interest payments were on loans incurred when the airline spent heavily on new jets in 1978.

Considering the nightmarish time for the whole airline industry, PAL's target of a $15m profit for 1982 may seem optimistic. There are, however, signs that PAL may break-even. In the first quarter of this year, the net loss was reduced to 69m pesos from the 303m peso loss of the same period last year. At the operating level, it made a profit of 16m pesos in the quarter, compared with an operating loss of 138m pesos a year earlier,

Schroder Darling launches cash management trust

BY MICHAEL THOMPSON-NOEL IN SYDNEY

SCHRODER DARLING, the merchant bank, has launched an Australian cash management trust and set its sights on attracting A$100m (US$104m) of investment funds in 12 months.

Schroder's is the 14th such money market fund to be launched since Hill Samuel paved the way 18 months ago. Mr Richard Wilkinson, manager of the Schroder Darling cash management trust, said yesterday that the trusts now handle an estimated A$1.5bn. He said the total could reach A$3bn to A$4bn.

Hill Samuel continues to set the pace. With funds of about A$650m it has introduced several new facilities for investors, including the transfer of funds from any bank in the country, and a toll-free telephone line to handle customer inquiries.

In common with its rivals, Schroder is investing in government securities and bank-backed paper. Unlike most of them, it is prepared to invest up to 20 per cent of investors' funds in interest rate futures.

BASE LENDING RATES

A.B.N. Bank	12½%	Robert Fraser	13 %
Allied Irish Bank	12½%	Grindlays Bank	‡12½%
American Express Bk.	12½%	■ Guinness Mahon	12½%
Amro Bank	12½%	■ Hambros Bank	12½%
Henry Ansbacher	12½%	Heritable & Gen. Trust	12½%
Arbuthnot Latham	12½%	■ Hill Samuel	§12½%
Associates Cap. Corp.	13 %	C. Hoare & Co.	†12½%
Banco de Bilbao	12½%	Hongkong & Shanghai	12½%
BCCI	12½%	Kingsnorth Trust Ltd.	14 %
Bank Hapoalim BM	12½%	Knowsley & Co. Ltd.	13 %
Bank of Ireland	12½%	Lloyds Bank	12½%
Bank Leumi (UK) plc	12½%	Mallinhall Limited	12½%
Bank of Cyprus	12½%	Edward Manson & Co.	13½%
Bank Street Sec. Ltd.	14 %	Midland Bank	12½%
Bank of N.S.W.	12½%	■ Samuel Montagu	12½%
Banque Belge Ltd.	12½%	■ Morgan Grenfell	12½%
Banque du Rhone et de la Tamise S.A.	13 %	National Westminster	12½%
Barclays Bank	12½%	Norwich General Trust	12½%
Beneficial Trust Ltd.	13½%	P. S. Refson & Co.	12½%
Bremar Holdings Ltd.	13½%	Roxburghe Guarantee	13 %
Brit. Bank of Mid. East	12½%	E. S. Schwab	13
■ Brown Shipley	13 %	Slavenburg's Bank	12½%
Canada Perm't Trust	13 %	Standard Chartered	‖12½%
Castle Court Trust Ltd.	13 %	Trade Dev. Bank	12½%
Cavendish G'ty T'st Ltd.	14 %	Trustee Savings Bank	12½%
Cayzer Ltd.	12½%	TCB	12½%
Cedar Holdings	13 %	United Bank of Kuwait	12½%
■ Charterhouse Japhet	12½%	Whiteaway Laidlaw	13 %
Choulartons	13 %	Williams & Glyn's	12½%
Citibank Savings	¶12¾%	Wintrust Secs. Ltd.	12½%
Clydesdale Bank	12½%	Yorkshire Bank	12½%
C. E. Coates	13½%		
Comm. Bk. of Near East	12½%		
Consolidated Credits	13 %		
Co-operative Bank	*12½%		
Corinthian Secs.	12½%		
The Cyprus Popular Bk.	12½%		
Duncan Lawrie	12½%		
Eagil Trust	12½%		
E.T. Trust	13 %		
Exeter Trust Ltd.	13½%		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9.5%, 1-month 9.75%. Short term £8,000/12 month 12.1%.
† 7-day deposits on sums of: under £10,000 9½%, £10,000 up to £50,000 10¼%, £50,000 and over 11%.
‡ Call deposits £1,000 and over 9½%.
‖ 21-day deposits over £1,000 10½%.
§ Demand deposits 9½%.
¶ Mortgage base rate.

FVB warns on prospects for current year growth

BY OUR JOHANNESBURG CORRESPONDENT

FEDERALE Volksbeleggings (FVB), the South African investment group with large interests in food, chemicals, electronics, and furniture, is far from optimistic on prospects for the next few years.

FVB says that the economic climate during the next two years will be less favourable and that high interest rates and increased taxation will have a detrimental effect on results. It says that it is not optimistic as far as the current year's growth prospects are concerned.

In the year ended March 31, 1982, the group increased its income before tax and interest charges by 35.4 per cent to R138.1m ($124m) from R102m. Turnover rose by 33.9 per cent to R1.34bn from R1.03bn. However, as the interest bill almost doubled to R39.9m from R20.4m, the pre-tax profit advance was only 20.4 per cent to R98.2m from R81.6m.

The management says that the chemicals industry experienced a number of new problems which influenced the results and that lower than expected increases in the controlled prices of fertilisers created an unexpected gap in profitability.

The group is having to shelve some of its longer-term growth plans for the next year or two. Current assets are to be brought in line with expected business activity as high interest rates are making their financing too expensive.

A total dividend of 38 cents has been declared from earnings of 137.4 cents. In the year ended March 31, 1981 earnings were 117.5 cents and the total dividend 33 cents.

Broking licences in demand in Bahrain

Bahrain's Ministry of Commerce has received 44 applications for newly introduced stockbroking licences, Mary Frings reports from Bahrain. Strong interest has been shown in the licence despite the narrowness of the local stockmarkets. Bahrain has about 20 public companies and a further 42 Gulf companies are listed on Kuwait's Suq al Manakh stock exchange.

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	8.6.82	15.6.82	AVERAGE YIELD	8.6.82	15.6.82
DM Bonds	95.72	95.43	DM Bonds	9.164	9.222
HFL Bonds & Notes	99.23	99.03	HFL Bonds & Notes	10.051	10.101
U.S. $ Strt. Bonds	89.86	89.31	U.S. $ Strt. Bonds	14.104	14.238
Can. Dollar Bonds	91.77	91.02	Can. Dollar Bonds	15.400	15.605

WORLD STOCK MARKETS

Opening Dow rally reversed

AN EARLY rally on Wall Street yesterday soon ran out of steam, and stocks reverted to a downward course later in the morning as investors continued to worry about the outlook for U.S. interest rates.

The Dow Jones Industrial Average, which had picked up 4.38 by the 10.30 am calculation, was down 3.42 on balance at 797.85 at 1 pm. The NYSE All Common Index recorded a net fall of 31 cents at $62.74, after recovering to $63.26. Turnover expanded sharply to 43.22m shares from Tuesday's 1 pm level of 32.37m.

Accounting for a sizeable part of the increase in volume was U.S. Steel, with turnover of some 5.7m shares. A block of 5.25m shares of U.S. Steel was traded at $18⅛, a record block on the NYSE in terms of number of shares and the third-largest in dollars.

U.S. Steel, which was still trading at $18⅛, up ⅛, said the shares were part of a debt for equity exchange made with Salomon Brothers.

Oil stocks continued the poor performance they have been turning in all week, with Standard Oil Ohio losing 1⅞ to $34⅛. Pennzoil 1⅞ to $31⅛. Standard Oil California 1⅞ to $30⅞. Superior 1⅞ to $25½ and Getty 1½ to $49⅞.

Helene Curtis slipped 1⅞ to $13½ after the company projected a loss in the second-quarter.

THE AMERICAN SE Market Value Index was down a further 2.39 at 251.70 at 1 pm after volume on the Exchange of 3.13m shares (2.51m).

Canada

After a moderately higher start, markets drifted lower throughout the rest of yesterday morning, paced by a decline in Gold issues.

The Toronto Composite Index was a net 3.9 easier at 1,411.5 at noon, while Golds shed 48.8 to 1,654.1, Oil and Gas 10.4 to 2,383.1 and Real Estate 293 to 3,072.5.

Phoenix Canada, up ⅞ at C$9⅞, said it has completed its wildcat well in Peru and testing is to take about six weeks.

Tokyo

The yen's inability to put a halt to its slide against the U.S. dollar and rising U.S. interest rates sent Tokyo shares into another broad decline in further slack trading.

Adding to the depression was the Bank of Japan's quarterly report, which said economic recovery in Japan has apparently come to a halt, dealers commented.

The Nikkei-Dow Jones Average, which fell 51.56 on Tuesday, suffered a fresh sharp setback of 48.63 to 7,142.39. The Tokyo SE index dipped 3.44 to 536.71 for a two-day drop of 6.82. Volume on the First Market reached only 140m shares, less than the previous day's 170m.

Light but persistent foreign selling, detected in Steels and Construction company issues, also added to the caution among investors.

Some export-orientated issues and other Blue Chips led the decline.

Sony weakened Y120 to Y3,180, Victor Japan Y90 to Y2,160, Hitachi Y9 to Y670, Minolta Y6 to Y432, Nippon Steel Y4 to Y141, Ishikawajima Harima Heavy Y5 to Y150, Taisei Y7 to Y218, Toyota Motor Y20 to Y1,010, Fuji Photo Film Y30 to Y1,400 and Teikoku Oil Y12 to Y865.

Australia

Markets lost further ground over a wide front in low volume.

Further falls in world commodity prices took the heart out of the Resource stocks, while Industrials were jolted by news that despite the dull state of the Australian economy, wages had risen more than 5 per cent in the March quarter and were well ahead of budget estimates. Also further depressing sentiment was the strength of the U.S. dollar and some higher U.S. interest rates.

The Australian All Ordinaries index ended 5.9 lower at 474.4, making a fall of 12.7 over the past two days. The Oil and Gas index lost 12.0 at 441.5, Metals and Minerals 6.6 at 329.3 and Industrials 3.1 at 639.6.

Overall market leader BHP was down 18 cents more at A$7.12, while among Minings, Pancontinental slipped 13 cents to A$1.45, Western Mining 11 cents to A$3.12, Poseidon 10 cents to A$1.35, Ashton Mining 6 cents to 89 cents, Central Norseman 5 cents to A$4.00 and CRA 10 cents to A$2.70.

In the Oil and Gas group, Bridge Oil shed 5 cents to A$3.25 on announcing a rights offer to raise some A$36m. Santos declined 14 cents to A$5.02, Vamgas 30 cents to A$7.00 and Claremont 3 cents to 65 cents.

A star performer was again the Sydney-based Retailer Grace Brothers, which rose 10 cents to A$2.80 against the trend. The company, which is fighting it out in the market place with Walton-Bond for control of the Discounter Norman Ross, is clearly seen as the ultimate take-over target. There was heavy volume in the Grace Brothers stock at prices up to A$2.90.

Germany

Hopes of cheaper credit following mid-session news that the Bundesbank has raised rediscount quotas failed to inspire the market and shares closed mixed to easier after a small turnover.

The lack of activity was partly attributed to the fact that West German markets will be closed today for a national holiday.

Veba remained a good feature, climbing DM 2.30 to DM 133.50 for a three-day rise of DM 9.70 in response to rising retail oil product prices.

Among Electricals, AEG slipped 40 pfennigs to DM 32.80, despite recent approval from its banks for a restructuring plan. Brown Boveri receded DM 4.50 to DM 169.50.

Buildings issue Holzmann, after declaring an unchanged dividend of DM 10, lost DM 4 to DM 402.

Paris

Stock prices continued to fall, with the market still suffering from post-devaluation blues. Trading volume was light.

The Indicateur de Tendance index lost 1.9 at 115.2 for a three-day fall of 5.5. Declines outnumbered advances by 140 to 37 in the French section.

Market analysts said investors were put off by the harsh reaction of the Employers' Association and the Communist-led Confederation Generale du Travail labour union to the French Government's planned austerity measures.

They noted that the Government appears to be having difficulties in working out exactly how the freeze on corporate dividends should be implemented. According to some observers, the Government may decide to limit payouts to the level of dividends paid out last year.

Switzerland

Most shares declined in much reduced trading volume.

Sentiment remained depressed by the uncertain interest rate outlook in the U.S. and at home, where short-term rates have clearly recovered from their recent lows, dealers said.

Hong Kong

Following the recent weak performances, the market made a steadier showing yesterday, stock prices closing mainly a shade firmer, where changed.

However, uncertainty over the future course of U.S. interest rates kept most investors away from the market, resulting in further very thin trading. Turnover on the four exchanges came to only HK$93.55m in the short Wednesday session, compared with HK$140.01m recorded in the full day's trade on Tuesday.

Closing prices for North America were not available for this edition.

Indices

NEW YORK —DOW JONES

	June 15	June 14	June 11	June 10	June 9	June 8	1982 High	1982 Low	Since Cmpil't'n High	Since Cmpil't'n Low
◆Industr'ls	801.27	801.85	809.74	798.71	795.57	802.25	882.52 (4/1)	795.47 (8/3)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	59.86	59.68	59.77	59.72	59.56	59.48	60.27 (27/5)	55.67 (12/2)	—	—
Transport.	312.80	314.22	318.50	316.02	310.35	315.65	368.46 (7/1)	310.35 (9/6)	447.38 (16/4/81)	12.32 (8/7/32)
Utilities	108.87	108.22	109.98	109.17	109.35	110.12	116.95 (7/5)	105.61 (15/1)	165.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	44,870	48,100	58,610	50,950	55,770	46,828	—	—	—	—

◆ Day's high 805.18 low 793.38

	June 11	June 4	May 28	Year ago (Approx)
Indust'l div. yield %	6.90	6.93	6.80	5.48

STANDARD AND POORS

	June 15	June 14	June 11	June 10	June 9	June 8	1982 High	1982 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	122.58	122.88	124.53	122.44	121.76	122.45	137.28 (4/1)	118.41 (8/3)	160.98 (28/11/80)	3.52 (30/6/32)
Composite	108.69	109.96	111.24	109.61	108.98	109.63	122.74 (4/1)	107.64 (8/3)	140.52 (28/11/80)	4.407 (1/6/32)

	June 9	June 2	May 26	Year ago (approx)
Indust'l div. yield %	5.96	5.79	5.74	4.76
Indust'l P/E ratio	7.66	7.56	7.41	9.46
Long Gov. Bond yield	13.39	13.24	12.95	12.56

NY. S.E. ALL COMMON

June 15	June 14	June 11	June 10	1982 High	1982 Low
63.05	63.25	63.94	62.97	71.20 (4/1)	62.52 (12/3)

Rises and Falls

	June 15	June 14	June 11
Issues Traded	1,853	1,864	1,343
Rises	512	413	1,834
Falls	913	1,078	301
Unchanged	428	373	308
New Highs	10	5	20
New Lows	118	63	34

MONTREAL

	June 15	June 14	June 11	June 10	1982 High	1982 Low
Industrials	255.35	259.65	261.35	252.51	332.79 (4.1)	255.35 (15/6)
Combined	245.01	247.74	249.88	246.66	316.08 (4.1)	245.01 (15/6)
TORONTO Composite	1415.5	1431.4	1447.7	1427.1	1956.3 (4.1)	1415.5 (15/6)

	June 17	June 16	June 14	June 11	1982 High	1982 Low
AUSTRALIA All Ord. (1/1/80)	474.4	480.3	(c)	487.7	585.5 (4/1)	466.8 (10/3)
Metal & Minls. (1/1/80)	329.3	335.9	(c)	348.9	426.1 (5/1)	322.2 (2/4)
AUSTRIA Credit Aktien (2/1/62)	50.82	51.05	51.34	51.26	56.96 (4/1)	50.82 (16/6)
BELGIUM Belgian SE (31/12/63)	95.47	93.78	94.20	94.05	102.43 (5/4)	86.42 (20/1)
DENMARK Copenhagen SE (1/1/73)	109.55	109.54	110.57	111.30	128.22 (25/2)	109.53 (16/6)
FRANCE CAC General (31/12/81)	104.7	105.9	106.9	107.9	111.6 (12/5)	95.6 (4/1)
Ind Tendance (31/12/81)	115.2	117.1	118.5	120.7	124.8 (12/5)	97.7 (4/1)
GERMANY FAZ-Aktien (31/12/58)	226.46	226.55	226.28	228.60	239.45 (5/4)	218.35 (18/1)
Commerzbank(Dec 1953)	691.6	691.3	690.4	689.8	728.8 (5/4)	660.7 (18/1)
HOLLAND ANP-CBS General (1970)	89.4	89.8	90.3	90.1	95.0 (10/6)	84.0 (6/1)
ANP-CBS Indust (1970)	68.8	69.5	69.7	69.4	74.8 (10/5)	65.2 (4/1)
HONG KONG Hang Seng Bank (31/7/64)	1311.76	1306.27	1321.19	1336.93	1445.32 (12/1)	1129.85 (9/3)
ITALY Banca Comm Ital.(1972)	160.16	164.20	163.91	168.99	212.68 (19/3)	160.16 (16/6)
JAPAN** Dow Average (16/5/49)	7142.39	7191.02	7242.58	7195.46	7926.55 (27/1)	6883.53 (17/3)
Tokyo New SE (4/1/68)	536.71	540.15	543.53	540.09	585.29 (27/1)	520.70 (17/3)
NORWAY Oslo SE (1/1/72)	117.57	118.77	119.82	118.76	130.39 (26/1)	109.72 (1/4)
SINGAPORE Straits Times (1966)	718.48	716.25	715.05	718.25	810.76 (6/1)	687.49 (8/3)
SOUTH AFRICA Gold (1958)	(u)	570.3	577.4	—	599.3 (5/1)	570.3 (15/6)
Industrial (1958)	(u)	528.7	536.3	—	711.7 (6/1)	528.6 (8/6)
SPAIN Madrid SE (30/12/81)	100.06	100.19	(c)	100.21	107.45 (3/2)	98.21 (26/5)
SWEDEN Jacobson & P. (1/1/58)	586.48	584.86	582.83	582.19	658.52 (22/1)	563.32 (29/4)
SWITZERLAND Swiss Bank Cpn.(31/12/58)	248.1	249.8	249.5	250.4	265.1 (11/1)	242.3 (11/5)
WORLD Capital Intl. (1/1/70)	—	128.1	128.8	130.5	147.2 (4/1)	128.1 (16/6)

(**) Saturday June 12: Japan Dow 7,245.01, TSE 544.04.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
U.S. Steel	1,588,600	18⅛	+ ⅛
General Motors	587,600	45	− ⅛
Exxon	539,700	27½	− ¼
IBM	532,600	59½	+ ¼
K Mart	481,500	18¼	+ ¼
Cities Service	475,000	36½	+ ⅛
Am. Tel. and Tel.	451,600	52	− ¼
Sony	442,900	12¾	− ⅛
Warner Comm.	431,400	48⅛	—
Ralston Purina	427,200	13⅞	—

NEW YORK

Stock	June 15	June 14
Cigna	33¾	33
Cincinnati Mil	19½	19½
Citicorp	25½	25⅝
Cities Service	36½	35⅞
City Invest	21⅝	21⅝
Clark Equipment	19¾	20
Cleve Cliffs Iron	18⅜	18½
Clorox	13¾	13¼
Cluett Peaby	16⅞	17⅛
Coca Cola	33⅝	33¾
Colgate Palm	17⅝	17⅝
Collins Aikman	12½	12½
Colt Inds	23⅞	24¾
Genuine Parts	33⅝	33¾
Georgia Pac	14¼	14¼
Geosource	42	42¼
Gerbes Prod	29⅜	29½
Getty Oil	50½	50
Giddens Lewis	13⅞	14¼
Gillette	31⅝	32
Global Marine	10⅞	11
Goodrich (BF)	19⅛	19
Goodyear Tire	23⅞	23¼
Gould	24	23¾
Grace	36¼	35⅞
Grainger (W.W)	35⅝	35⅝
Safeway Stores	28¼	27⅝
St. Paul Cos.	37¾	38½
St. Regis Paper	21¾	22
Santa Fe Inds.	14⅞	15⅛
Saul Invest	7⅛	7
Saxon Indus	1⅝	1⅝
Schering Plough	28⅝	28⅜
Wisc Elec Power	30¾	30⅞
Woolworth	17¾	18
Wrigley	32⅛	31⅜
Wyly	8¼	8⅜
Xerox	32¾	32¾
Yellow Frt Sys	11¾	11⅝
Zapata	15⅞	16
Zenith Radio	11¼	11⅛

Closing prices for North America were not available for this edition.

FINANCIAL TIMES Eurobond Quotations and Yields

The Association of International Bond Dealers

at 28th May 1982

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled for quotations obtained from market-makers on the last working day of each month.

There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres.

Membership of the AIBD (which was established in 1969) comprises over 600 institutions from about 32 countries.

Eurobonds in May

BY OUR EUROMARKETS STAFF

A HEAVY $1.9bn worth of fixed interest paper came on offer in the Eurodollar market in the first half of May. With only a few exceptions, the market found it difficult to absorb this amount of new issues.

The flood of new bonds began towards the end of the first week of the month once the U.S. budget debate appeared to be ending satisfactorily. Six-month Eurodollar interest rates fell by ¾ of a point on the week, and prices in the secondary market gained more than one point.

A feature of this sector was the bonds with warrants deals, which play on investors' hopes of lower interest rates in the future. Issues for the U.S. companies Sears Roebuck, the retail giant, and Atlantic Richfield, the energy group, both carried warrants to purchase further bonds. Also an unusual floating rate note issue with warrants to buy fixed interest paper was launched on May 6 for Credit Commercial de France through CCF and Credit Suisse First Boston.

The largest borrowing on the Eurodollar market in May was of $500m in three tranches arranged by UBS Securities for Mobil Oil, the second largest U.S. oil company, to help finance its North Sea developments.

As it became known that Mexico was seeking up to $2.5bn in the international syndicated credit market, Pemex, its state energy company, came to the Eurodollar market to borrow $125m. This 12-year issue carried the high coupon of 17¾ per cent and was priced at a *discount by lead manager* Citicorp, showing the high interest rates Mexican borrowers must pay in the Eurobond market at the moment.

Later in the month Pemex also came to the Swiss Franc foreign bond sector with a private placement through Credit Suisse. Here, too, the SwFr 50m five-year bond carried a high 8¼ per cent coupon.

As a comparision, New Zealand is paying only 6 per cent on its SwFr 100m ten-year issue through Union Bank of Switzerland.

Nafinsa, the Mexican development bank, is also in this market with a SwFr 80m ten-year bond bearing an 8¼ per cent coupon priced at par by lead manager UBS.

Similarly, in the D-Mark sector Mexico's Comision Federal de Electricidad (CFE) is raising DM 100m through a seven-year issue led by West LB which bears an extremely high 11 per cent coupon.

The D-mark sector was given a boost early in the month by the abolition of the Special Lombard Rate on May 6, and prices in this sector rose at least ¼ point on the day. The new calendar, set on May 21 for the period until the end of June, however, was a heavy DM 1.83bn. Some 20 issues were scheduled, most being for amounts of DM 100m or below, to minimise the weight of paper on the market. But in spite of this, traders expressed some misgivings, and prices were depressed throughout the latter part of the month.

Three Eurodollar issues were withdrawn from the market in May. The first of these, a $60m seven-year bond with an indicated 15¾ per cent coupon, for Mead Corporation, the U.S. paper and timber producer, was withdrawn by lead manager Hambros Bank as the market deteriorated half-way through the month following the weaker U.S. bond market.

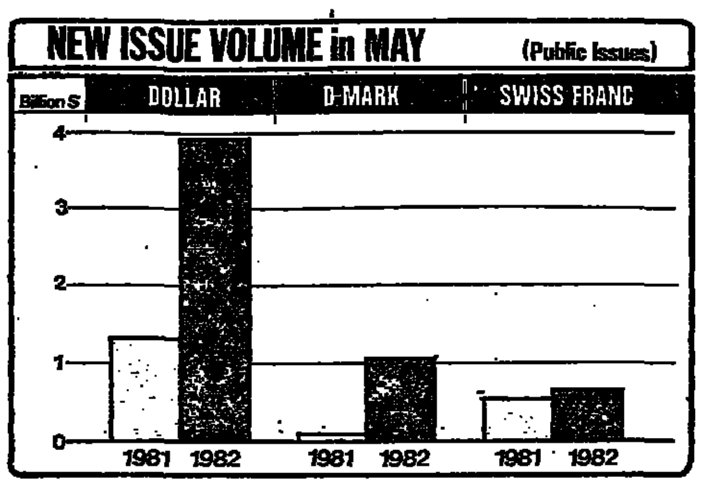
Another casualty was the $20m 15-year convertible issue for the U.S. electronics company, Kollmorgen. The third withdrawal, towards the end of the month, was a $65m 15 per cent seven-year bond for Florida Telephone. This issue, having been bought by Kidder Peabody re-emerged immediately in the currently cheaper U.S. domestic bond market.

Emphasising the overburdened condition of the Eurodollar market, the number of new issues appearing slowed considerably towards the end of May as attempts were made to absorb the earlier flood of paper. At the same time trading in the Eurobond market came almost to a standstill on May 20 and 21 as many dealers were attending the annual meeting of the AIBD conference in Venice.

Prices on the month still showed an upward trend in both the dollar and Swiss franc sector. The gains, of about 1½ and ½ point respectively, occurred in both sectors mainly in the first half of the month. Prices in the D-mark sector fell, however, by more than a point in May.

Six-month Eurodollar interest rates fell by more than ½ per cent on the month, while Swiss franc six-month deposit rates, after reaching a low of 4 1/16 per cent half-way through May, ended the month slightly up at 5 1/16 per cent.

D-mark six-month interest rates were also marginally higher.



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The table of quotations and yields gives the latest rates available on May 28th, 1982. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY DATASTREAM INTERNATIONAL LTD

Amount (US$m) / Amt o/s	Year of issue / Issue price	Borrower / Coupon / Maturity	Price	Yield to maturity / Yield to average life	Current yield
		US DOLLARS—ALGERIA			
25 / 9.4	1972 / 98.50	BQUE EXT D'ALGERIE 8.75 1/ 8/1984	85	17.57 / 24.83	10.29
25	1977 / 100.00	BQUE EXT D'ALGERIE 9.00 15/ 5/1982	95	35.92	9.47
		US DOLLARS—ARGENTINA			
50	1979 / 98.50	ARGENTINE REPUBLIC 9.875 1/ 8/1984	82 1/2	20.56	11.97
		US DOLLARS—AUSTRALIA			
39 / 1.7	1963 / 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	92	16.07 / 21.90	5.22
30 / .8	1962 / 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	97 1/2	38.22	5.72
25 / .7	1962 / 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	96 3/4	16.17	5.77
25 / 4.2	1965 / 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	84	12.53 / 15.99	6.65
25 / 5.6	1965 / 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	82	12.73 / 17.79	7.14
100	1977 / 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	88 5/8	13.64	8.46
125	1976 / 99.88	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	92 1/2	14.45	8.98
120	1976 / 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/10/1983	94	13.32	8.78
125	1977 / 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/12/1984 S	88 5/8	14.24	9.53
150 / 150.0	1977 / 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 9/1992	75 3/4	12.57 / 14.39	10.89
175	1978 / 100.00	AUSTRALIA,COMMONWEALTH 8.45 1/ 9/1983 S	93	14.42	9.09
120	1976 / 100.00	AUSTRALIA,COMMONWEALTH 8.50 1/10/1986	86	12.87	9.88
50	1975 / 100.00	AUSTRALIA,COMMONWEALTH 8.75 15/ 6/1982 S	95 1/8	14.38	9.41
50	1976 / 99.63	AUSTRALIA,COMMONWEALTH 8.75 1/ 6/1986 S	84 3/4	14.31	10.59
60 / 60.0	1976 / 99.50	AUSTRALIA,COMMONWEALTH 8.75 1/10/1991	80 3/8	12.39 / 14.24	10.89
100 / 100.0	1977 / 98.89	AUSTRALIA,COMMONWEALTH 8.875 1/12/1992 S	72	13.58 / 15.27	12.71
75 / 75.0	1976 / 99.50	AUSTRALIA,COMMONWEALTH 9.00 15/11/1996 S	74	13.46 / 15.44	12.53
75 / 75.0	1978 / 99.53	AUSTRALIA,COMMONWEALTH 9.125 1/ 6/1993 S	77	13.54 / 14.95	12.20
75 / 67.5	1976 / 98.50	AUSTRALIA,COMMONWEALTH 9.125 1/ 6/1996 S	75 1/8	13.46 / 14.92	12.52
25 / 10.0	1975 / 99.00	PAPUA NEW GUINEA,GOVT OF 9.50 15/ 3/1983	94 1/2	17.29	10.05
25	1977 / 100.50	ALCAN AUSTRALIA 8.50 15/ 4/1989	69 1/2	16.14	12.23
60	1979 / 100.00	ALCOA OF AUSTRALIA 10.00 15/ 6/1989	84 1/8	13.64	11.89
80	1980 / 100.00	ALCOA OF AUSTRALIA 12.00 15/ 1/1988	88 1/8	15.24	13.62
30	1981 / 92.00	ALCOA OF AUSTRALIA 13.50 15/ 4/1991	92 1/2	15.07	14.59
50	1981* / 100.00	ALCOA AUSTRALIA 16.00 15/ 1/1989	102 1/4	15.37	15.65
25	1982* / 99.00	AUSTRALIAN IND DEV CORP 15.50 1/ 3/1987	100 1/4	15.36	15.46
40 / 34.4	1977 / 100.00	AUSTRALIAN MIN & SMELT'G 9.25 15/ 6/1992	69 1/2	15.40 / 16.79	13.31
30 / 21.6	1975 / 100.00	AUSTRALIAN RESOURCES 9.50 1/ 3/1983	95	16.86	10.00
30	1979 / 99.50	AUSTRALIAN RESOURCES 9.625 1/ 5/1984	90 3/4	14.85	10.61
30	1980 / 99.50	AUSTRALIAN RESOURCES 12.00 1/11/1983	95 3/4	15.37	12.53
50	1981 / 95.75	AUSTRALIAN RESOURCES 13.00 27/ 3/1986	94 5/8	14.90	13.74
57	1981* / 93.50	AUSTRALIAN RESOURCES 13.50 1/ 4/1987	94 7/8	15.03	14.23
150	1982* / 100.00	BHP FINANCE 14.75 13/ 5/1989	99	14.98	14.90
30	1977 / 99.50	BROKEN HILL PROPS 8.00 1/ 4/1985	84 1/4	15.20	9.50
30 / 30.0	1977 / 99.00	BROKEN HILL PROPS 8.25 1/ 4/1999	75 3/4	13.96 / 15.20	10.89
20 / 13.7	1975 / 98.50	BROKEN HILL PROPS 10.00 1/ 5/1990	78 1/4	14.84 / 15.96	12.78
20 / 9.0	1970 / 98.50	COMALCO INV EUROPE 9.50 1/11/1985	85 1/2	15.17 / 18.41	11.11
25 / 15.0	1975 / 100.00	COMALCO LTD 10.00 1/ 4/1987	82 1/2	15.35 / 16.51	12.12
40 / 40.0	1979 / 100.00	COMALCO INV EUROPE 10.25 15/ 7/1991	73 5/8	15.90 / 17.50	13.92
40 / 31.0	1976 / 100.00	HAMERSLEY HOLDINGS 8.50 1/ 1/1984	90 3/8	15.68 / 15.68	9.41
40 / 26.0	1976 / 100.00	HAMERSLEY HOLDINGS 9.50 1/ 1/1992	70 3/8	15.62 / 17.04	13.50
25 / 16.8	1972 / 100.00	HAMERSLEY IRON FIN 8.00 15/11/1987	73 1/2	15.50 / 19.83	10.88
27 / 8.5	1971 / 99.50	HAMERSLEY IRON FIN 9.00 1/ 5/1986	83	15.03 / 17.56	10.84
20 / 8.0	1970 / 97.00	HAMERSLEY IRON FIN 9.50 1/ 9/1985	85 1/2	15.44 / 19.17	11.11
23 / 19.9	1972 / 99.75	K MART(AUST)PROPERTY FAI 7.75 15/ 3/1984	85 1/2	15.68 / 15.90	9.06
36 / 33.7	1976 / 99.50	K MART(AUST)FIN WW 9.00 1/10/1995	80 1/2	15.50 / 16.12	11.18
25 / 13.0	1971 / 100.00	MOUNT ISA FIN 8.75 15/11/1986	80 1/2	15.00 / 18.39	10.87
10	1976 / 100.00	TNT INTL FIN WW 9.00 1/ 7/1983	90	20.00	10.00
20 / 19.0	1977 / 100.00	TNT OVERSEAS FIN 9.00 15/ 8/1987	77 3/4	15.53 / 17.91	11.58
50 / 43.7	1977 / 100.00	WESTERN MINING CORP 9.00 15/10/1992	70 5/8	14.65 / 15.55	12.74

Amount Issued / Amt. Out (Mns)	Year of Issue / Issue Price	Borrower / Coupon/Maturity	Price	Yield to Maturity / to Avge Life	Current Yield
		US DOLLARS-SWEDEN (CONTINUED)			
50	1977 / 99.25	SAAB-SCANIA 8.50 15/ 3/1989	78 3/8	13.92	12.08
15 / 9.0	1971 / 98.50	SANDVIK 9.00 1/ 8/1986 S	83	15.10 / 16.17	11.14
30 / 21.0	1976 / 100.50	SANDVIK 9.50 15/ 4/1986	82 5/8	15.80 / 18.10	11.50
30 / 22.0	1972 / 100.25	SCANRAFF 7.50 15/12/1990	64 1/2	15.15 / 17.93	11.63
30 / 24.5	1973 / 99.75	SCANRAFF 8.625 15/10/1988	74 1/2	15.09 / 16.93	11.58
40 / 32.5	1976 / 100.00	SKANDINAVISKA ENSKILDA 9.00 1/12/1991	73	14.35 / 16.54	12.33
30 / 21.0	1977 / 100.50	SKF 8.00 15/ 1/1987	78 1/2	14.68 / 16.24	10.19
20 / 17.0	1976 / 99.50	SODRA SKOGSAGARNA 9.50 15/12/1985	76 7/8	17.17 / 21.98	12.36
20 / 8.5	1976 / 99.50	SPARBANKERNAS BANK 8.75 1/ 9/1983	92 7/8	15.28 / 19.32	9.42
30 / 18.5	1977 / 100.00	SPARBANKERNAS BANK 8.75 15/ 1/1988	80 1/2	13.94 / 17.14	10.87
50	1981* / 99.25	STATSFORETAG 15.75 15/ 1/1987	100 1/2	15.51	15.67
50 / 50.0	1977 / 100.00	STOCKHOLM,CITY OF 8.875 15/ 2/1992 S	74 1/8	14.25 / 17.12	12.33
60 / 60.0	1979 / 99.00	STOCKHOLM,CITY OF 9.75 15/ 3/1994 S	76 3/8	14.35 / 15.79	13.17
30 / 23.0	1976 / 99.00	SVENSKA HANDELSBANKEN 9.25 1/ 3/1986	83 1/2	15.10 / 18.77	11.08
46	1981 / 100.00	SVENSKA HANDELSBANKEN 13.75 15/ 4/1988	91 3/4	15.99	14.99
25 / 5.2	1976 / 100.00	SWEDISH EXPORT CREDIT P 7.875 15/10/1983 S	94	13.14 / 16.16	8.55
20 / 12.9	1979 / 100.00	SWEDISH EXPORT CREDIT P 9.50 15/ 4/1986 S	87	14.43 / 16.98	11.22
50	1980 / 99.75	SWEDISH EXPORT CREDIT 12.00 1/10/1983	95 5/8	15.69	12.55
40	1980 / 99.50	SWEDISH EXPORT CREDIT 12.50 1/ 5/1985	93 5/8	15.34	13.35
75	1981 / 100.00	SWEDISH EXPORT CREDIT 13.00 15/ 1/1986	93 1/2	15.39	13.90
100 / 100.0	1982* / 99.50	SWEDISH EXPORT CREDIT 14.75 15/ 3/1990	96 1/2	15.54 / 15.67	15.28
100	1982* / 100.00	SWEDISH EXPORT-CP OPT 15.25 15/ 3/1989	99 5/8	15.30	15.31
50	1981 / 99.50	SWEDISH EXPORT CREDIT 15.75 1/ 6/1986	101	15.39	15.59
75	1981* / 100.00	SWEDISH EXPT CRED RS4(3) 16.50 19/11/1993	103	15.86	16.02
15 / 9.5	1973 / 100.00	SWEDISH INVESTMENT BANK 7.50 15/ 1/1988	74 3/4	14.30 / 18.44	10.03
15 / 9.5	1972 / 99.00	SWEDISH INVESTMENT BANK 7.75 1/11/1987	77	14.05 / 18.16	10.06
15 / 13.0	1976 / 100.00	SYDKRAFT 9.25 15/ 9/1986	79	16.38 / 20.43	11.71
30 / 9.3	1976 / 100.00	UDDEVALLAVARVET P 7.75 1/12/1983 S	93 5/8	12.91 / 17.70	8.45
23 / 18.0	1977 / 100.00	UDDEVALLAVARVET P 7.75 15/ 9/1984	86 1/2	15.07 / 16.67	8.96
25 / 19.0	1972 / 100.50	VOLVO 8.00 1/ 9/1987	73 7/8	15.61 / 19.68	10.83
35	1977 / 100.00	VOLVO 8.00 1/ 3/1987	73 7/8	16.27	10.83
25	1975 / 99.50	VOLVO 9.50 1/ 3/1985	86 7/8	15.66	10.94
		US DOLLARS-SWITZERLAND			
75	1977 / 100.00	FIAT FIN CORP 8.00 1/ 8/1982	98 1/4	18.43	8.14
35 / 21.0	1972 / 98.50	SWISS ALUMINIUM AUST LTD 8.00 1/ 7/1987	81 1/2	13.21 / 17.50	9.82
		US DOLLARS-VENEZUELA			
100	1977 / 99.50	VENEZUELA,REPUBLIC OF 8.00 15/ 2/1984	85 1/8	18.84	9.40
100	1977 / 99.75	VENEZUELA,REPUBLIC OF 8.125 15/10/1984 S	86 3/4	15.49	9.39
50 / 30.0	1977 / 99.50	VENEZUELA,REPUBLIC OF 8.75 15/10/1992 S	69 3/4	14.98 / 17.83	12.94
100	1981 / 100.00	VENEZUELA,REPUBLIC OF 15.625 1/ 5/1986 S	101 3/4	15.37	15.95
15 / 8.8	1972 / 100.00	VENEZUELA TEL 8.25 15/12/1987 S	76 1/4	15.18 / 18.18	11.11
		US DOLLARS-UTD KINGDOM			
250	1978 / 100.00	UNITED KINGDOM 8.50 1/ 5/1985 S	87 7/8	14.13	9.91
150 / 150.0	1978 / 99.00	UNITED KINGDOM 8.875 1/ 5/1993 S	75	13.71 / 15.30	12.18
30 / 21.0	1973 / 100.00	AIRLEASE INT FIN 8.75 1/10/1988	82 5/8	12.90 / 15.77	10.59
20 / 10.0	1971 / 100.00	AIRLEASE INT FIN 9.00 1/ 8/1986	90 3/4	11.92 / 14.19	9.92
30 / 30.0	1979 / 99.00	ALEXANDER HOWDEN FIN WW 9.50 1/ 6/1991	76 1/4	14.36 / 15.98	12.46
30 / 30.0	1979 / 99.00	ALEXANDER HOWDEN FIN XW 9.50 1/ 6/1991	64	17.81 / 20.53	14.84
75	1981 / 99.50	AMOCO (UK) EXPLORATION 13.25 15/ 1/1988	94 1/2	14.70	14.02
20 / 10.5	1972 / 99.50	B.I.C.C. FIN 7.75 1/ 2/1987	81	13.45 / 16.82	9.57
30 / 15.0	1971 / 100.00	BARCLAYS BANK INT 8.25 1/12/1986	84 1/2	12.96 / 15.95	9.76
50 / 50.0	1976 / 100.00	BARCLAYS BANK INT P 9.125 [illegible]	86 1/2	15.29 / 18.34	10.55
25 / 25.0	1976 / 100.00	BARCLAYS BANK INT 9.125 15/ 4/1987	80 1/2	15.02 / 16.26	11.34
50	1975 / 100.00	BARCLAYS BANK INT 9.25 1/ 7/1982	98 7/8	21.99	9.36
200	1977 / 100.00	BARCLAYS O/S INV 8.50 15/ 9/1992	74 5/8	13.11	11.39

Amount Issued / Amt. Out (Mns)	Year of Issue / Issue Price	Borrower / Coupon/Maturity	Price	Yield to Maturity / to Avge Life	Current Yield
		US DOLLARS-UTD KINGDOM (CONTINUED)			
45 / 23.0	1971 / 100.00	BEECHAM INT 8.25 1/ 2/1986	83 1/8	14.28 / 16.40	9.88
50 / 46.0	1977 / 100.00	BOWATER CORP 9.25 15/ 5/1992	73	14.58 / 15.70	12.67
30	1976 / 100.00	BOWATER CORP 9.75 15/ 7/1986	82 1/8	15.96	11.87
16 / 9.6	1972 / 99.00	BRITISH LAND 8.00 1/11/1987	76	14.68 / 19.48	10.53
30	1980 / 99.50	BRITISH OXYGEN FIN 10.75 15/ 7/1990	78 1/4	15.64	13.74
65 / 65.0	1977 / 100.00	BRITISH SHIPBUILDERS 9.00 1/11/1992	63	16.68 / 18.08	14.29
50 / 40.0	1974 / 99.00	BRITISH STEEL CORP 8.625 15/ 1/1989	80 1/4	13.25 / 15.68	10.75
30 / 26.0	1972 / 100.00	CADBURY SCHWEPPES O/S 7.75 15/10/1990	71 1/8	13.74 / 16.35	10.90
25 / 8.7	1973 / 98.50	CAPITAL & COUNTIES PROP 9.00 1/11/1988	77 1/4	14.67 / 18.46	11.65
50 / 44.0	1977 / 99.50	CAVENHAM INTL BV 9.50 15/12/1987	73 7/8	17.10 / 21.17	12.86
30 / 11.7	1971 / 100.00	COMMERCIAL UNION 9.25 15/12/1986	79 5/8	14.94 / 18.44	10.68
20 / 8.5	1970 / 98.00	COURTAULDS INT FIN 9.25 1/10/1985	89 3/4	13.19 / 14.80	10.31
25 / 9.0	1973 / 100.00	DUNDEE,CITY OF 9.25 15/10/1983	92 7/8	15.22 / 18.15	9.96
13 / 1.5	1967 / 98.50	EMI 6.75 15/11/1982	96	16.07	7.03
50 / 50.0	1977 / 100.00	EMI FINANCE BV 9.25 15/ 4/1989	72 1/4	16.21 / 17.91	12.80
30 / 30.0	1981 / 98.75	FINANCE FOR INDUSTRY INT 14.00 1/ 4/1986	96 3/8	15.27 / 15.61	14.53
20 / 14.0	1972 / 100.50	FISONS 8.25 1/ 7/1987	76 5/8	15.15 / 19.38	10.77
20 / 20.0	1977 / 100.00	FISONS INT FIN 8.75 1/ 8/1992	65 1/4	15.82 / 17.79	13.41
25 / 11.3	1971 / 100.00	G.U.S. INTERNATIONAL 8.50 1/ 3/1986	81 1/2	15.29 / 18.86	10.43
15 / 10.5	1974 / 100.00	G.U.S. INTERNATIONAL 9.50 5/ 4/1989	76 1/2	15.24 / 18.05	12.42
25 / 18.0	1973 / 100.00	GOLD FIELDS (BERMUDA) 10.25 15/ 7/1985	86 1/2	16.03 / 17.47	11.85
25 / 17.0	1972 / 98.50	GRAND METROPOLITAN HOTEL 7.50 15/12/1987	77 1/8	13.60 / 17.40	9.72
15 / 5.4	1970 / 100.00	GRAND METROPOLITAN HOTEL 9.25 1/ 1/1986	90	12.85 / 14.87	10.28
30 / 20.4	1972 / 98.75	GUARDIAN ROYAL EXCHANGE 8.00 1/ 7/1987	77 1/2	14.54 / 16.87	10.32
25 / 19.0	1972 / 100.50	HAMBROS 7.75 1/10/1987	73 1/8	15.47 / 18.19	10.60
24 / 10.2	1970 / 100.00	HAMBROS 9.50 15/12/1985	89 1/4	13.45 / 14.91	10.64
20 / 10.5	1971 / 100.00	HILL SAMUEL GROUP 8.50 15/11/1986	78 1/8	15.61 / 20.05	10.88
50 / 32.5	1972 / 100.00	ICI INT FIN 7.50 1/ 2/1992	75 3/8	11.90 / 15.55	9.95
100 / 100.0	1977 / 100.00	ICI INT FIN 8.25 1/ 1/1987	80 1/2	14.29 / 16.57	10.25
100	1980 / 100.00	ICI FIN NETHERLANDS 11.00 1/ 6/1983	96 1/2	14.99	11.40
25 / 20.0	1972 / 100.00	KLEINWORT BENSON 8.25 15/ 3/1987	81 5/8	13.57 / 16.58	10.11
30 / 21.0	1973 / 100.00	LEGAL & GENERAL ASSCE 7.625 1/ 2/1988	75 1/4	14.24 / 17.42	10.13
40	1980 / 100.00	LONRHO INT FIN 12.00 15/ 7/1988	81 1/2	17.07	14.72
25 / 19.8	1973 / 100.25	MEPC ESTATES & PROP 8.00 1/ 2/1991	68	14.75 / 17.77	11.76
15 / 7.2	1971 / 100.00	MEPC ESTATES & PROP 8.75 1/12/1986	84 1/8	13.65 / 16.30	10.40
75 / 55.0	1976 / 99.00	MIDLAND INTL FIN SERVICE 8.75 1/12/1986	87 1/4	12.59	10.03
75 / 75.0	1977 / 100.50	MIDLAND INTL FIN SERVICE 8.75 1/ 9/1992	74 1/2	13.46 / 15.06	11.74
30 / 18.0	1972 / 100.50	NATIONAL & GRINDLAYS BNK 7.75 15/12/1987	75 1/8	14.55 / 17.27	10.28
100 / 85.0	1977 / 99.00	NATIONAL COAL BOARD 8.00 1/ 9/1987	78 3/4	13.94 / 14.93	10.16
50 / 39.0	1973 / 99.00	NATIONAL COAL BOARD 8.625 15/10/1988	78 7/8	13.78 / 16.72	10.94
50 / 36.0	1976 / 100.00	NATIONAL WESTMINSTER BK 9.00 1/ 7/1986	91	11.89 / 14.13	9.89
75	1978 / 100.00	NATIONAL WESTMINSTER BK [illegible]	84 5/8	14.25	10.64
100	1981* / 100.00	NATIONAL WESTMINSTER FIN 14.75 15/12/1991	100 3/4	14.55	14.64
25 / 12.5	1971 / 98.00	PLESSEY 8.50 15/ 6/1986	79 1/4	15.81 / 22.15	10.73
20 / 15.5	1973 / 99.00	RHM INTERNATIONAL 8.00 1/ 3/1988	74 1/2	14.87 / 17.93	10.74
40 / 38.0	1977 / 100.00	RHM OVERSEAS FIN 9.00 15/ 8/1992	73	14.13 / 15.38	12.33
25 / 13.8	1971 / 100.00	RANK ORGANISATION 8.75 1/11/1986	82 3/8	14.36 / 17.31	10.62
25 / 25.0	1979 / 99.50	REDLAND FIN WW 9.50 15/ 3/1991	75 1/2	14.60 / 15.64	12.58
25 / 25.0	1979 / 99.50	REDLAND FIN XW 9.50 15/ 3/1991	66	17.26 / 18.82	14.39
40 / 40.0	1977 / 100.00	REED INTERNATIONAL 9.00 15/ 5/1987	78 7/8	15.38 / 17.31	11.41
45 / 12.0	1969 / 99.50	RIO TINTO-ZINC XW 6.75 1/ 5/1984	91 3/4	11.77 / 15.56	7.36
50 / 50.0	1977 / 99.50	SELECTION TRUST 8.75 1/ 8/1989	74 3/4	14.65 / 15.86	11.71
20 / 13.6	1973 / 99.50	SLOUGH ESTATES 8.00 1/ 2/1988	75 1/4	14.69 / 18.43	10.63
12 / 6.8	1971 / 98.50	SLOUGH ESTATES 8.75 15/ 2/1986	84 1/2	14.38 / 17.20	10.36
15 / 9.0	1972 / 100.00	TOWN & CITY NEDERLAND 8.00 15/ 1/1988	77 1/2	14.00 / 17.98	10.32

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		US DOLLARS-FLOATING RATE (CONTINUED)			
120	1979 / 100.00	CITICORP O/S / 14.563 30/5/1984 Q	99 1/2		14.54
250	1981 / 100.00	CITICORP O/S FIN / 15.00 2/6/1984	99 1/8		15.09
100	1979 / 100.00	CITICORP O/S FIN 6:1/4 / 14.438 8/3/1994 Q	99 7/8		14.45
50	1979 / 100.00	CITY INVESTING FIN 1/2 / 16.063 1/8/1986 S	[illegible] 1/2		17.70
30	1981* / 100.00	CO-BAS EUROFTS 5.5:1/4 / 16.00 13/10/1991 S	99 1/4		16.12
25	1979 / 100.00	CO-OPERATIVE BANK 6:1/4 / 15.00 13/11/1986 S	99 3/8		15.06
50	1977 / 100.00	CREDIT AGRICOLE 6.5:1/4 / 14.438 13/12/1984 S	99 7/8		14.45
250	1982* / 100.00	CRED AGRI R90/3 5.25:1/4 / 15.438 24/3/1997 S	99 3/8		15.53
40	1977 / 100.00	CREDITANSTALT * 5.75:1/4 / 15.00 13/5/1984 S	100 1/8		14.98
80	1979 / 100.00	CREDITANST E97* 5.5:1/4 / 15.25 14/6/1991 Q	99 1/4		15.37
75	1981* / 100.00	CREDIT FONCIER * 5.25:1/4 / 15.938 14/10/1988 S	99 3/8		16.04
80	1977 / 100.00	CREDIT LYONNAIS 6:1/4 / 16.688 10/2/1983 S	100 3/8		16.63
30	1977 / 100.00	CREDIT LYONNAIS 6.5:1/4 / 15.188 24/6/1983 S	99 1/2		15.26
30	1980 / 100.00	CREDIT LYONS * 5.25:1/4 / 15.625 18/9/1987 S	99 3/4		15.66
30	1980 / 100.00	CREDIT LYONNAIS 5.25:1/8 / 14.688 11/9/1989 S	99 1/4		14.80
50	1981* / 100.00	CREDIT LYONNAIS 5.25:1/8 / 15.625 15/10/1983 S	99 1/4		15.74
250	1982* / 100.00	CRED LYON R90/3 5.25:1/4 / 16.00 1/4/1997 S	99 5/8		16.06
75 / 75.0	1978 / 100.00	CREDIT NATIONAL 5.25:1/8 / 15.125 11/7/1988 S	99		15.28
200	1982* / 100.00	CRED NAT R90/2* 5.25:1/4 / 14.688 9/3/1994 S	98 5/8		14.89
100	1982* / 100.00	DENMARK,KINGDOM R89 3/16 / 15.438 25/2/1992 S	99 1/8		15.57
20	1980 / 100.00	DEN NORSKE CREDIT 6:1/4 / 15.313 5/11/1990 Q	100 1/8		15.29
20	1980 / 100.00	DEN NORSKE (LUX) 6:1/4 / 15.313 16/12/1990 Q	99 3/8		15.41
45	1981* / 100.00	DEN NORSKE CRE * 5.5:1/4 / 13.563 4/12/1993 S	98 3/8		13.79
40	1982* / 100.00	DIE ERSTE OST 5.25:1/4 / 15.75 15/4/1992 S	98 5/8		15.97
50	1976 / 100.00	DG BANK FIN 6.25:1/4 / 14.438 15/12/1982 S	100		14.44
200	1980 / 100.00	ENEL FRCV 5.25:1/4 / 16.00 1/4/1987 S	98 1/8		16.31
200	1980 / 100.00	ENEL (2) FRCV 5.25:1/4 / 16.00 1/4/1987 S	98 1/8		16.31
25	1978 / 100.00	ENPETROL (W24) 7:1/2 / 15.75 21/9/1986 S	99 1/2		15.83
35 / 26.3	1974 / 100.00	ESCOM 8.5:1.0 / 17.438 15/8/1982 S	100		17.44
25	1981* / 100.00	EULA INT BV 8:1/4 / 15.25 24/6/1989 S	97 1/4		15.68
40 / 40.0	1979 / 100.00	EUROFIMA * 5.25:1/4 / 15.438 27/9/1989 S	99 1/2		15.52
50	1981* / 100.00	EUROPEAN ASIAN CAP 6:1/4 / 13.625 11/6/1989 S	98 1/2		13.83
50 / 50.0	1982* / 100.00	EUROPEAN ASIAN * 6:1/4 / 14.625 13/5/1992 S	98		14.92
250	1980 / 100.00	FERROVIE STATO 5.25:1/4 / 15.375 29/8/1988 S	97 5/8		15.75
225	1981 / 100.00	FERROVIE STAT-2 5.25:1/4 / 15.313 25/9/1988 S	97 5/8		15.69
200	1981* / 100.00	FERROVIE STATO 5.25:1/4 / 15.063 22/12/1988 S	97 7/8		15.39
100 / 100.0	1979 / 100.00	FIAT FIN CORP 6:1/4 / 15.063 30/10/1991 S	93 1/8		16.17
25	1978 / 100.00	FRAB-BANK INT 6.5:1/4 / 15.50 20/9/1985 S	99		15.66
50 / 50.0	1980 / 100.00	FUQUA O/S FIN 5/8 / 15.188 11/9/1997 S	96 1/4		15.78
100	1980 / 100.00	GENFINANCE 5.25:1/4 / 15.188 31/10/1987 S	99 7/8		15.21
100	1981* / 100.00	GENFINANCE(E89) 5.25:1/4 / 15.50 30/6/1992 S	99 3/8		15.56
40	1977 / 100.00	GENOSSEN ZENTRAL 6:1/4 / 15.75 6/4/1983 S	100 1/4		15.71
40	1979 / 100.00	GENOSSEN ZENT * 5.5:1/4 / 15.25 1/8/1989 Q	99 5/8		15.31
50	1981* / 100.00	GENOSSEN ZENT * 5.25:1/4 / 14.938 5/3/1992 Q	99		15.09
75	1980 / 100.00	GIRO UND BANK 5.25:1/4 / 15.50 23/3/1991 Q	99 1/4		15.62
50	1980 / 100.00	GTE FIN FRCV 3/8 / 15.50 28/8/1987 S	97		15.98
25	1978 / 100.00	GOTABANKEN 6:1/4 / 15.00 15/11/1988 S	99 3/8		15.06
30	1979 / 100.00	HILL SAMUEL GRP 5.25:1/4 / 15.313 19/1/1992 S	98 1/2		15.55
18 / 18.0	1979 / 100.00	IBERPISTAS 7:1/4 / 15.438 11/7/1986 S	94		16.42
75	1979 / 100.00	IC INDUSTRIES FIN 3/8 / 15.313 15/7/1991 S	96		15.95
30 / 50.0	1982* / 100.00	I.N.I. 5.25:1/4 / 15.938 31/3/1992 S	97 1/2		16.35
60	1981* / 100.00	INDUST PENDLE R86 10:3/4 / 16.375 19/10/1989 Q	97 1/2		16.79
50	1978 / 100.00	INDUST BK JAPAN 5.5:1/4 / 13.25 1/12/1985 S	100		13.25
50	1979 / 100.00	INDUST BK JAPAN 5.25:1/4 / 15.75 13/10/1987 S	100 1/8		15.73
90	1980 / 100.00	INDUST BK JAPAN 5.25:1/4 / 15.75 9/10/1988 S	100		15.75

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		US DOLLARS-FLOATING RATE (CONTINUED)			
50	1981* / 100.00	INDUST BK JAPAN 5.25:1/8 / 14.875 9/11/1988 S	99 1/4		14.99
30	1981 / 100.00	INDUST BK JAPAN 1/4 / 14.688 27/5/1998 S	99 1/4		14.89
30 / 30.0	1981* / 100.00	I.C.I.C.I. 5.5:1/4 / 14.875 16/12/1991 S	95 1/2		15.58
30	1977 / 100.00	IND & MIN DV BK 6.75:3/8 / 15.875 14/4/1984 S	95		16.71
120	1977 / 100.00	INT WESTMINSTER BK 6:1/4 / 15.313 20/4/1984 S	100 1/4		15.27
150	1981* / 100.00	IRELAND R86 5.25:1/4 / 15.75 21/10/1988 S	99 7/8		15.77
170	1982* / 100.00	IRELAND 5.5:1/4 / 15.50 19/3/1989 S	98 3/4		15.70
50	1978 / 100.00	ISHIKAWAJIMA-H 5.75:1/4 / 15.375 27/4/1985 S	100 1/8		15.36
75	1982* / 100.00	ISVEIMER 11.0:1/4 / 15.75 15/4/1989 S	97 1/2		16.15
20	1981 / 100.00	C.ITOH (UK) INT 5.5:3/8 / 19.50 3/2/1986 S	100 1/4		19.43
30	1980 / 100.00	C ITOH 5.25:1/4 / 15.687 18/3/1987 S	100 1/8		15.67
20	1977 / 99.00	JUGOBANKA 7.5:1 / 16.625 1/8/1983 S	97		17.14
50 / 50.0	1979 / 100.00	JUGOBANKA 8:7/8 / 15.375 23/3/1989 S	89 1/2		17.18
30	1977 / 100.00	KANSALLIS-OSAKE 6.5:1/4 / 15.688 20/7/1983 S	100		15.69
50	1982* / 100.00	KANSALLIS OSAKE 5.5:1/4 / 15.313 6/5/1992 S	99 1/2		15.39
50	1980 / 100.00	KLEINWORT BENSON 5.75:1/4 / 15.00 1/8/1991 Q	99 1/4		15.11
30	1981 / 100.00	KOREA DEV BK R86 7.5:1/4 / 13.188 3/6/1989 S	98 1/2		13.39
30	1981* / 100.00	KOREA EXCH BK 7.5:1/4 / 16.00 1/10/1988 S	99 3/8		16.06
30	1981* / 100.00	KOREA FST R85(1) 7.5:1/4 / 15.75 30/9/1989 S	99 3/8		15.85
25	1979 / 100.00	KRUNG THAI(CAY) 6.75:1/4 / 16.688 13/8/1984 S	99 3/4		16.73
30 / 30.0	1978 / 100.00	LJUBLJANSKA BANKA 7.75:1 / 16.063 19/7/1985 S	93		17.27
25 / 25.0	1980 / 100.00	LJUBLJANSKA BANKA 8:7/8 / 14.313 5/6/1987 S	93 1/4		15.35
75	1976 / 100.00	LLOYDS EURO 7.25:1/4 / 14.875 31/5/1983 S	100 1/8		14.86
100 / 100.0	1980 / 100.00	LLOYDS EURO * 5.25:1/4 / 13.625 4/12/1992 S	99		13.76
200 / 200.0	1981* / 100.00	LLOYDS EURO * 5.25:1/4 / 15.188 29/10/1993 S	99 3/8		15.28
40	1977 / 100.00	LONG TERM CRED 6.375:1/4 / 16.313 27/7/1982 S	100		16.31
60	1978 / 100.00	LONG TERM CRED 6:1/4 / 16.688 15/2/1983 S	100 3/8		16.63
75	1978 / 100.00	LONG TERM CRD * 5.25:1/4 / 14.50 9/11/1985 S	99 3/4		14.34
75	1979 / 100.00	LONG TERM CRED 5.25:1/4 / 14.688 13/12/1986 S	99 3/4		14.72
50	1979 / 100.00	LONG TERM CRED 5.5:1/4 / 13.063 7/6/1989 S	99 5/8		13.11
30	1981* / 100.00	LONG TERM CRD * 5.5:1/4 / 15.313 16/7/1989 S	99 5/8		15.37
60	1982* / 100.00	LONG TERM CRED 5.25:1/8 / 14.625 27/5/1992 S	98 5/8		14.83
250	1982* / 100.00	MALAYSIA R89 5.25:1/4 / 15.688 6/4/1992 S	99 1/8		15.83
100	1979 / 100.00	MAN HAN O/S CAP 5.25:1/8 / 14.75 30/5/1994 Q	99 3/8		14.84
100	1981* / 100.00	MERRILL LYNCH O/S 5.5 / 15.188 3/12/1984 Q	99 5/8		15.24
100	1981 / 99.75	MERR LYNCH O/S R84 1/8 / 14.938 7/5/1987 Q	99 7/8		14.96
50	1976 / 100.00	MIDLAND BANK 7.5:1/4 / 15.563 18/2/1983 S	100 3/8		15.50
50	1977 / 100.00	MIDLAND INT FIN 6:1/4 / 15.125 18/5/1987 S	100 1/4		15.09
125	1979 / 100.00	MIDLAND INT FIN 5:1/4 / 15.063 30/12/1989 S	99 3/4		15.10
150	1981 / 100.00	MIDLAND INT FIN .9:1/4 / 15.188 30/4/1991 S	99 1/2		15.26
150	1980 / 100.00	MIDLAND INT FIN 5.25:1/4 / 13.688 3/6/1992 S	99 1/2		13.76
125	1978 / 100.00	MIDLAND INT FIN 5.5:1/4 / 15.688 20/7/1993 S	99 5/8		15.75
250	1982* / 100.00	J P MORGAN * 5.25:1/4 / 14.625 12/5/1997 Q	98 7/8		14.79
25	1979 / 100.00	MULTI COMERMEX 6.5:1/4 / 14.50 19/12/1984 S	96		15.10
100	1979 / 100.00	NACIONAL FIN 6.25:1/4 / 16.313 25/7/1986 S	96 5/8		16.88
100	1981* / 100.00	NACIONAL FIN 5.5:1/4 / 15.188 24/6/1986 S	95 1/4		15.95
125	1981 / 100.00	NACIONAL FIN E91 5.5:1/4 / 15.313 25/3/1988 S	95 1/4		16.08
150	1981* / 100.00	NACIONAL FIN R84/87 1/4 / 15.25 5/11/1990 S	96 7/8		15.74
100	1977 / 100.00	NACIONAL FIN R85(2) 6:1 / 15.875 5/1/1993 S	99 3/8		15.97
50	1981 / 100.00	NAT BK CANADA * 5.25:1/4 / 15.375 24/3/1988 S	99 1/8		15.51
150	1978 / 100.00	NATIONAL WEST 5.5:1/4 / 15.125 21/6/1990 S	99 3/4		15.16
175	1981* / 100.00	NATIONAL WEST * 5.25:1/4 / 15.188 15/7/1991 S	99 1/4		15.30
100	1980 / 100.00	NATIONAL WEST * 5.25:1/4 / 15.188 23/10/1992 S	99 1/2		15.26
100	1979 / 100.00	NATIONAL WEST * 5.25:1/4 / 15.938 11/4/1994 S	99 3/4		15.98
100	1979 / 100.00	NATIONAL TEL * 5.25:1/4 / 15.688 16/10/1986 S	100		15.69

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		US DOLLARS-FLOATING RATE (CONTINUED)			
275	1982* / 100.00	NAT WES TELECOM 5.25:1/4 / 15.75 21/4/1990 S	99 1/2		15.33
30	1980 / 100.00	NEDLINEA FIN 5.5:1/4 / 15.063 4/12/1988 Q	97 1/2		15.45
25 / 25.0	1981* / 100.00	NEDLINEA R85 5.5:1/4 / 14.438 10/12/1993 Q	98		14.73
350	1982* / 100.00	NEW ZEALAND 5.25:1/8 / 15.563 7/4/1987 S	99 1/2		15.84
20	1979 / 100.00	NIPPON CREDIT 5.75:1/4 / 15.188 15/3/1985 S	100		15.19
30	1978 / 100.00	NIPPON CREDIT BK 5.5:1/4 / 15.188 22/12/1985 S	100 1/2		15.11
50	1979 / 100.00	NIPPON CREDIT BK 6.5:1/8 / 15.375 12/7/1986 S	99 1/2		15.43
30	1980 / 100.00	NIPPON CREDIT 5.75:1/4 / 15.063 6/2/1987 Q	99 7/8		15.08
50	1980 / 100.00	NIPPON CREDIT 5.75:1/4 / 13.563 11/12/1988 S	99 3/4		13.63
30	1982* / 100.00	NIPPON CREDIT 5.25:1/8 / 16.063 10/2/1990 S	99 1/4		16.15
40	1981* / 100.00	NORDIC INT FIN* 5.5:1/4 / 15.25 6/11/1991 S	98 3/4		15.44
100 / 100.0	1978 / 100.00	OFFSHORE M'TGE* 1/4 / 15.25 19/7/1986 S	99 5/8		15.31
150 / 150.0	1981* / 100.00	OFFSHORE MIN * 5.25:1/4 / 13.00 2/12/1991 S	99		13.13
75	1981 / 100.00	OSTERREICHE KON 5.25:1/8 / 14.875 18/5/1986 S	99 1/2		14.95
25	1981* / 100.00	OSTERR VOLKSBK 5.25:1/4 / 13.375 4/11/1989 S	98 3/4		13.54
100	1979 / 100.00	PETROLEOS MEXICANOS 7:1/4 / 16.25 24/1/1984 S	98		16.58
125	1981 / 100.00	PETROLEOS MEX R88 6:1/4 / 15.688 8/4/1991 S	95 1/8		16.49
100	1979 / 100.00	PHILIPPINES,REP 6.5:1/4 / 15.75 18/10/1986 S	97 3/4		16.11
20	1979 / 100.00	PICA 7:1/2 / 16.438 8/2/1984 S	99 5/8		16.59
50	1981* / 100.00	POST-OCH KRE R88 * 5:1/4 / 14.375 17/12/1991 S	99 1/4		14.48
25 / 20.0	1977 / 99.00	PRIVREDNA BANKA 8:1-1/4 / 16.00 6/1/1985 S	91		17.58
50 / 50.0	1979 / 100.00	PRIVREDNA BANKA 8:7/8 / 15.813 22/12/1986 S	89 1/4		17.72
30	1976 / 100.00	ROYAL BANK-SCOT 7.75:1/4 / 14.563 6/5/1983 S	100		14.56
75	1979 / 100.00	ROY SCT R86(2)* 5.25:1/4 / 15.938 11/7/1994 Q	100		15.94
40	1982* / 100.00	SABAH DEV BK R87 6:1/4 / 14.688 15/5/1989 S	98 1/2		14.91
30	1981* / 100.00	SANWA INT FIN 5.25:1/8 / 15.313 24/9/1988 S	99 1/4		15.43
100	1981* / 100.00	SCOTLAND INT 5.25:1/8 / 15.375 23/3/1992 S	99		15.53
100	1981* / 100.00	SEC PACIFIC R88 5.25:1/8 / 15.00 25/11/1991 S	99 1/2		15.08
70	1981* / 100.00	S.F.E. INTL ST 5.5:1/4 / 14.75 19/11/1988 S	98 3/8		14.99
50 / 38.0	1978 / 100.00	S.F.T.E. 8:3/4 / 16.188 5/4/1983 S	100 3/8		16.13
50 / 46.0	1980 / 100.00	S.F.T.E. 6.5:1/4 / 15.313 15/3/1986 S	98 1/4		15.58
75 / 75.0	1982* / 100.00	S.F.T.E. R90-2 6:1/4 / 14.50 10/3/1989 S	97 3/8		14.89
30 / 48.0	1980 / 100.00	S.F.T.E. 6.5:1/4 / 15.188 2/7/1990 S	98 3/8		15.44
20	1979 / 100.00	SOC CENT DE BQCE 6.5:1/4 / 15.688 3/10/1987 S	99 1/2		15.77
60	1977 / 100.00	SOCIETE GEN * 3/8 / 16.063 1/10/1984 S	100 3/8		16.00
50	1979 / 100.00	SOCIETE GEN * 5.25:1/4 / 15.625 12/7/1991 Q	99 1/4		15.74
100	1981* / 100.00	SOCGEN R85/88 5.25:1/8 / 15.25 22/7/1991 S	98 7/8		15.42
250	1982* / 100.00	SOCIETE GEN R90 5.25:1/4 / 15.313 1/3/1995 S	99 3/8		15.41
20	1979 / 100.00	SOGENAL E91 * 5.75:1/4 / 15.188 13/7/1989 S	98 3/4		15.38
150	1982* / 100.00	S.S.C.F. 5.25 / 14.813 28/4/1988 Q	98 1/8		15.10
50 / 50.0	1979 / 100.00	SONATRACH 7.5:1 / 19.875 15/2/1991 S	100 3/8		19.80
50	1978 / 100.00	SONATRACH R86(2) 7.25:3/4 / 13.50 7/12/1992 S	99 3/8		13.58
25	1980 / 100.00	SPAREBANKEN 6:1/4 / 14.438 19/12/1987 S	99 1/4		14.55
50	1977 / 100.00	STANDARD CHART 6.25:1/4 / 14.875 31/5/1984 S	100		14.88
100	1978 / 100.00	STANDARD CHART 5.5:1/4 / 16.688 10/8/1990 S	100 1/8		16.67
75	1980 / 100.00	STANDARD CHART 5.25:1/4 / 14.75 6/3/1990 S	99 3/4		14.79
100	1981* / 100.00	STANDARD CHART 5.25:1/8 / 14.875 18/11/1991 S	98 7/8		15.04
30	1980 / 100.00	STATE BK INDIA 6.75:1/4 / 14.875 29/3/1987 S	98 7/8		15.04
30	1981* / 100.00	SUMITOMO FIN 5.5:1/8 / 16.00 6/8/1988 S	99 7/8		16.02
30	1979 / 100.00	SUMITOMO HEAVY 5.5:1/4 / 15.063 13/4/1984 Q	99 1/2		15.14
20	1978 / 100.00	SUNDSVALLSBANKEN 6:1/4 / 15.688 4/10/1985 S	100		15.69
35	1980 / 100.00	SVENSKA HANDELSBK 5:1/4 / 15.25 15/7/1987 S	99 3/4		15.29
650	1982* / 100.00	SWEDEN R87 * 5.25:1/4 / 15.313 26/2/1989 S	99 1/4		15.43
150	1979 / 100.00	SWEDEN,KINGDOM* 1/4 / 15.688 18/10/1991 Q	98 7/8		15.87
75	1982* / 100.00	SWEDISH EXP CRED SW 5.25 / 15.938 10/2/1987 S	98 5/8		16.16

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		US DOLLARS-FLOATING RATE (CONTINUED)			
25	1979 / 100.00	TEXAS INT AIR CAP 7:3/4 / 15.50 11/4/1986 Q	90		20.63
35	1979 / 100.00	THAI FARMER INT 7.25:1/4 / 15.188 21/5/1984 S	99 5/8		15.24
30	1979 / 100.00	THAILAND,KINGDOM 7:1/2 / 15.312 15/3/1984 S	99 5/8		15.37
100	1982* / 100.00	TORONTO-DOMIN'N 5.25:1/8 / 16.375 11/2/1992 S	99 3/4		16.50
40	1979 / 100.00	TRADE DEV FIN SERV 4:1/4 / 15.563 31/8/1986 S	99 1/2		15.64
30	1979 / 100.00	TVO POWER (D-LOCK) 4:1/4 / 14.875 25/5/1991 S	95 1/4		15.62
25	1977 / 100.00	U.B.A.F. 7.25:1/4 / 13.063 7/12/1982 S	99 7/8		13.08
65	1979 / 100.00	U.B.A.F. 5.5:1/4 / 14.938 9/1/1990 S	98 7/8		15.11
20	1980 / 100.00	UNION BANK NORWAY 6:1/4 / 14.813 8/1/1989 S	98 3/4		15.02
25	1978 / 100.00	UNITED OVERSEAS BK 6:1/4 / 14.563 4/5/1983 S	100		14.56
25	1979 / 100.00	UNITED OVERSEAS BK 6:1/4 / 15.813 28/3/1989 Q	99 3/8		15.91
30	1979 / 100.00	URQUIJO INTL 6:1/4 / 15.50 21/3/1986 S	99 3/4		15.54
75	1981* / 100.00	VITRO ESM 8:5/8 / 13.75 21/7/1988 S	92		17.12
25	1980 / 100.00	JIM WALTER INT 6:1/2 / 15.50 13/1/1988 S	96 1/2		16.06
75	1979 / 100.00	WILLIAMS & GLYN 5.25:1/4 / 15.312 14/9/1991 S	99 3/4		15.35
30	1981* / 100.00	ZENTRAL INT R84 5.25:1/4 / 14.938 9/7/1991 S	98 3/4		15.13
		AUSTRALIAN DOLLARS			
15	1976 / 99.25	AUSTRALIAN IND DEV CORP / 10.00 1/10/1983	93	16.06	10.75
30	1980 / 99.50	AUSTRALIAN IND DEV CORP / 12.25 15/10/1985	89	16.67	13.76
10	1977 / 100.00	AUSTRALIAN RESOURCES / 10.00 2/12/1982	94	23.24	10.64
15	1978 / 100.00	CITICORP O/S FIN E88 / 10.50 15/2/1983	93	21.77	11.29
15	1979 / 99.50	CITICORP O/S FIN E89 / 11.00 1/2/1984	93	15.94	11.83
12	1978 / 100.00	BANK OVERSEAS HOLDINGS / 11.50 1/7/1983	92	23.29	12.50
		AUSTRIAN SCHILLINGS			
150 / 30.0	1971 / 98.50	ASIAN DEVELOPMENT BANK / 7.00 23/12/1983 S	98 7/8	7.93 / 10.22	7.20
350 / 303.3	1979 / 99.50	EUROFIMA / 8.00 4/12/1984	93 3/4	9.27 / 9.95	8.52
400	1978 / 99.00	EUROPEAN INVESTMENT BANK / 7.75 22/12/1986	91 1/2	10.14	8.47
350 / 291.7	1976 / 97.25	EUROPEAN INVESTMENT BK P / 8.00 20/10/1986	93 7/8	9.36 / 9.98	8.34
500	1979 / 99.50	EUROPEAN INVESTMENT BANK / 8.00 28/12/1989	89 3/4	10.10	8.98
300 / 250.0	1976 / 97.25	INTER-AMERICAN DEV BK P / 8.00 17/12/1986	95 5/8	9.19 / 9.95	8.37
400	1979 / 99.50	INTER-AMERICAN DEV BANK / 8.00 21/12/1989	89 1/4	10.38	8.95
1	1980 / 99.50	WORLD BANK / 8.00 1/2/1990	92 1/4	9.85	8.66
		BAHRAINI DINARS			
12 / 12.0	1977 / 100.00	NAT ALGERIE NAV R82 / 8.75 1/8/1987	97	9.50 / 10.10	9.02
15 / 15.0	1977 / 100.00	PETROLEOS MEXICANOS R82 / 8.75 15/11/1987	96	9.70 / 10.14	9.11
		CANADIAN DOLLARS			
25	1977 / 99.50	AMERICAN HOSPITAL SUPPLY / 8.75 15/10/1984	86 1/4	16.06	10.14
20	1977 / 100.00	AVCO FIN SERV-CANADA / 9.50 1/8/1982	97	28.23	9.79
25	1979 / 99.25	AVCO FIN SERV-CANADA / 10.25 15/5/1986	77	19.01	13.31
50	1980 / 100.00	BANKMONT REALTY CO / 12.75 15/9/1988	84 3/8	16.91	15.11
10	1979 / 100.00	BANK OF BRITISH COLUMBIA / 10.25 15/5/1989	75	16.55	13.67
50	1976 / 100.00	BANK OF MONTREAL / 9.00 15/9/1982	96 5/8	21.18	9.31
75	1982* / 100.00	BANK OF MONTREAL REALTY / 16.75 1/3/1988	99 5/8	16.79	16.81
60	1979 / 100.00	BELL-CANADA / 10.75 1/10/1986	86 7/8	15.02	12.37
50	1977 / 99.00	BENEFICIAL FIN INT / 9.00 15/2/1984	87	18.41	10.34
25	1975 / 100.00	BENEFICIAL FIN INT E79 / 9.75 15/12/1982	93	24.34	10.48
25	1977 / 100.00	BRITISH COLUM HYA R85(3) / 9.00 1/6/1997	81 3/4	11.62	11.01
25	1975 / 99.00	BRITISH COLUMBIA M.P.A / 9.25 30/6/1982	98 7/8	22.42	9.36
24	1979 / 100.00	BRITISH COLUM HPA E89/94 / 10.25 15/5/1999	77	13.82	13.31
35	1977 / 100.00	CANADIAN ACCEPTANCE P / 9.375 15/10/1982	94	27.19	9.97
60	1980 / 100.00	CANADIAN IMP BK COMMERCE / 11.50 15/7/1985	89 3/8	16.83	12.87
50	1980 / 99.50	CANADIAN IMP BK COMMERCE / 13.50 15/5/1985	94 1/8	16.13	14.34
75	1981* / 99.50	CANADIAN IMP BK COMMERCE / 15.75 15/3/1989	96 1/8	16.69	16.38
60	1977 / 99.25	CANADIAN NAT RAIL CO / 8.875 1/3/1987	79	15.38	11.23
35	1976 / 100.00	CANADIAN PACIFIC SECS / 9.25 15/4/1983	93 3/8	17.93	9.91

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		CANADIAN DOLLARS (CONTINUED)			
40	1981* / 100.00	CANADIAN PACIFIC SECS / 17.75 15/11/1987	103 3/8	16.66	17.17
30 / 30.0	1981* / 100.00	CANADIAN UTILITIES LTD / 17.00 15/12/1996	99 7/8	16.96 / 16.97	17.02
30	1976 / 99.70	CHRYSLER CREDIT - CANADA / 9.50 15/10/1982	85 1/2	60.84	11.11
30	1982* / 100.00	CIAC MORTGAGE CORP / 16.50 1/4/1987	99	16.81	16.67
20	1982* / 100.00	COMM TRANSPORT COMM MONT / 15.75 27/4/1987	97 1/8	17.64	17.25
40	1982* / 100.00	CONSOLIDATED-BATHURST / 17.25 20/2/1987	100 3/8	17.04	17.19
30	1979 / 100.00	CREDIT FONCIER F-CAN / 10.375 15/9/1984	87 1/2	17.33	11.86
50	1976 / 100.75	EUROPEAN COAL & STEEL / 9.00 15/3/1983	93 3/4	17.87	9.60
25	1977 / 100.50	EUROPEAN COAL & STEEL / 9.00 15/4/1984	88 1/2	16.56	10.17
30	1979 / 100.00	EXPORT DEVELOPMENT CORP / 10.00 15/5/1984	89 7/8	16.42	11.13
60	1980 / 100.00	FEDERAL BUSINESS DEV BK / 11.50 15/7/1990	80 1/4	15.98	14.33
40	1981* / 99.25	FEDERAL BUSINESS DEV BK / 17.75 30/12/1986	103 3/8	16.50	17.17
50	1979 / 100.50	FIRST CANADIAN INVEST / 10.00 15/5/1984	89 3/8	16.77	11.19
20	1977 / 100.00	FORD MOTOR CREDIT-CANADA / 8.50 15/5/1984	84	18.99	10.12
20	1977 / 99.50	FORD MOTOR CREDIT-CANADA / 8.75 15/5/1987	73 1/2	17.08	11.90
30	1976 / 99.50	FORD MOTOR CREDIT-CANADA / 9.25 1/7/1983	93 3/4	19.71	9.87
40	1976 / 100.00	FORD MOTOR CREDIT-CANADA / 9.50 15/7/1982	95	56.74	10.00
10	1975 / 99.00	GENSTAR B / 9.50 1/12/1982	94 3/4	20.92	10.03
25	1977 / 100.00	GENERAL FOODS LTD / 8.50 1/5/1984	87 1/2	16.38	9.71
40	1979 / 100.00	GEN MOTORS ACCEPTANCE / 9.25 1/6/1983	94	16.16	9.84
50 / 41.6	1976 / 100.00	GEN MOTORS ACCEPTANCE / 9.50 1/2/1986	89 1/4	13.34 / 14.98	10.64
30 / 30.0	1976 / 100.00	GEN MOTORS ACCEPTANCE / 9.75 15/10/1985	81 1/4	14.40 / 16.10	12.00
50	1980 / 99.75	GEN MOTORS ACCEPTANCE / 12.00 15/6/1985	88 3/4	17.01	13.52
30	1981* / 100.00	GEN MOTORS ACCEPTANCE / 13.875 30/6/1986	96 3/8	17.14	16.47
75	1981* / 99.50	GEN MOTORS ACCEPTANCE / 16.00 3/1/1987	98 3/8	16.44	16.26
50	1982* / 100.00	GEN MOTORS ACCEPTANCE / 16.50 1/2/1989	98 5/8	16.79	16.73
60	1981* / 100.00	GEN MOTORS ACCEPTANCE / 18.00 1/10/1987	103 5/8	16.82	17.37
25	1977 / 100.00	WALTER E.HELLER (CAN) / 9.50 15/7/1984	83 3/8	18.34	11.13
60 / 60.0	1979 / 100.00	HUDSON'S BAY / 10.50 15/4/1989	77 5/8	15.16 / 17.66	13.57
40	1981* / 100.00	HUDSON'S BAY / 18.00 1/11/1987	102 1/2	17.15	17.56
25	1977 / 100.00	INT HARVESTER CREDIT-CAN / 8.75 1/2/1983	57 1/2		15.22
25 / 18.0	1976 / 99.50	INT HARVESTER CREDIT-CAN / 9.75 15/4/1986	37 1/2	46.03 / 35.57	26.00
25	1976 / 100.00	IBM CANADIAN FINANCE / 9.50 1/8/1982	94	31.37	10.11
25 / 20.0	1976 / 100.00	IBM CANADIAN FINANCE / 10.00 1/8/1986	82	16.23 / 17.11	12.20
30	1977 / 100.00	LAURENTIDE FIN CORP / 9.50 30/6/1982	98 1/2	27.52	9.64
20	1976 / 99.00	LAVAL,CITY OF R83C / 10.00 1/7/1996	88 1/2	11.70	11.30
15 / 9.0	1975 / 99.50	MANITOBA,PROVINCE OF / 9.25 30/4/1985	88	14.56 / 17.05	10.51
40	1979 / 99.00	MONTREAL,CITY OF / 10.00 1/6/1989	77 3/4	15.41	12.86
30 / 30.0	1982* / 99.75	MONTREAL,CITY OF / 17.00 15/3/1989	101 7/8	16.47	16.69
5	1975 / 98.50	MONTREAL EAST,TOWN OF / 9.75 18/7/1982	97 1/2	29.36	10.00
30	1982* / 100.00	MONTREAL SCHOOL COUNCIL / 17.50 1/2/1987	99 3/8	17.60	17.61
50	1982* / 100.00	NAT BK CANADA / 16.50 4/2/1988	98 7/8	16.74	16.69
20 / 19.0	1975 / 100.00	NEWFOUNDLAND,PROVINCE OF / 9.50 15/5/1983	90 5/8	21.21	10.48
30	1975 / 100.25	NEWFOUNDLAND,PROVINCE OF / 10.25 15/12/1985	89 1/2	14.15	11.45
25	1976 / 100.00	NORANDA MINES / 9.75 15/7/1982	98	26.10	9.95
30	1976 / 99.50	NORCEN / 9.75 15/4/1983	92	20.45	10.60
18	1974 / 99.25	NOVA SCOTIA POWER E81C / 9.50 1/7/1994	91 3/4	10.74	10.35
30	1978 / 100.00	NOVA SCOTIA,PROVINCE OF / 9.00 15/12/1983	89 1/2	17.15	10.06
35	1976 / 100.50	PANCANADIAN PETROL / 9.75 15/11/1983	90 5/8	17.38	10.76
65	1981* / 100.00	PANCANADIAN PETROL / 16.50 15/12/1988	98 1/2	16.83	16.75
5	1975 / 98.50	POINTE-AUX-TREMBLES / 9.75 18/7/1982	95 1/2	48.39	10.21
15	1975 / 100.00	QUEBEC,CITY OF R82C / 10.00 15/11/1985	93 1/4	10.96	10.72
15	1974 / 100.00	QUEBEC,CITY OF E79C / 10.75 15/10/1994	94	11.67	11.44
50	1979 / 100.00	QUEBEC,PROVINCE OF / 10.25 15/4/1986	85	15.67	12.06
50	1981* / 100.00	QUEBEC,PROVINCE OF / 17.50 15/11/1987	105 1/4	15.90	16.63

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		CANADIAN DOLLARS (CONTINUED)			
30	1981* / 100.00	QUEBEC,PROVINCE OF / 18.00 15/10/1987	106 5/8	[illegible]	[illegible]
15	1977 / 99.00	QUEBEC URBAN COMMUNITY / 9.50 15/9/1984	80	21.27	[illegible]
15	1976 / 98.50	QUEBEC URBAN COMMUNITY / 9.75 26/5/1983	91	[illegible]	[illegible]
20	1981* / 100.00	QUEBEC URBAN COMMUNITY / 16.75 15/12/1986	100	[illegible]	[illegible]
40	1977 / 100.00	ROYAL BANK OF CANADA / 9.00 15/2/1984	[illegible]	[illegible]	[illegible]
40 / 35.5	1977 / 100.00	ROYAL BANK OF CANADA / 9.00 15/2/1992	78 1/2	[illegible]	11.46
35 / 29.0	1976 / 100.00	ROYAL BANK OF CANADA / 9.50 1/4/1988	86 3/4	13.55 / 13.80	[illegible]
40	1979 / 100.50	ROYAL BANK OF CANADA / 10.00 15/5/1986	87 5/8	[illegible]	[illegible]
40 / 40.0	1979 / 100.00	ROYAL BANK OF CANADA / 10.00 15/5/1994	77 5/8	12.94	[illegible]
20	1976 / 100.00	ROYAL TRUST [illegible] / 9.75 [illegible]	96 1/4	[illegible]	[illegible]
40	1981* / 100.00	[illegible] / 17.25 [illegible]	100 1/8	[illegible]	[illegible]
10	1981* / 100.00	[illegible]	96 1/8	[illegible]	[illegible]
10	1982* / 100.00	[illegible] / 17.25 28/3/1987	101	[illegible]	[illegible]
35	1981* / 100.00	[illegible] / 17.50 15/11/1986	98 1/2	[illegible]	[illegible]
20	1976 / 99.50	SIMPSONS-SEARS ACCEPT / 9.75 [illegible]	[illegible]	[illegible]	[illegible]
25 / 20.0	1978 / 99.25	TEXASGULF CANADA / 10.00 [illegible]	98	[illegible]	[illegible]
30	1980 / 99.50	[illegible] CORPORATION / 13.50 15/5/1985	95	[illegible]	[illegible]
35	1981* / 100.00	[illegible] / 16.50 1/3/1988	101 3/8	[illegible]	[illegible]
30	1980* / 100.00	TRANSALTA UTILITIES CORP / 17.00 16/2/1989	100 1/4	[illegible]	[illegible]
30 / 27.5	1976 / 99.00	UNION CARBIDE OF CANADA / 9.75 1/5/1986	84 1/2	[illegible]	[illegible]
50	1981* / 100.00	UNION CARBIDE CANADA / 16.00 15/1/1989	98 3/4	[illegible]	[illegible]
		EUROGUILDERS			
60	1977 / 99.50	AKZO / 7.50 1/10/1984	[illegible]	[illegible]	7.79
75	1978 / 99.50	ALGEMENE BANK / 6.25 15/5/1983	97 3/4	[illegible]	[illegible]
75	1979 / 100.00	ALGEMENE BANK / 8.25 15/8/1984	98 7/8	[illegible]	[illegible]
100	1981 / 99.50	ALGEMENE BANK / 10.25 1/3/1986	102	9.56	10.05
75	1976 / 99.75	[illegible] / 8.25 15/3/1985	97 3/8	[illegible]	[illegible]
75 / 75.0	1979 / 100.00	AMEV / 8.50 1/10/1986	96	[illegible]	[illegible]
40	1981* / 99.50	AMFAS GROUP / 12.25 15/11/1988	106 1/8	[illegible]	[illegible]
70	1978 / 100.00	AMRO BANK / 7.00 1/5/1983	96 5/8	[illegible]	[illegible]
150	1982* / 100.00	AMRO BANK / 10.00 1/5/1987	99 1/2	[illegible]	[illegible]
60	1980 / 100.00	AMRO BANK / 10.25 1/6/1985	102 1/8	[illegible]	[illegible]
60	1980 / 100.00	AMRO BANK / 10.25 1/1/1986	102	[illegible]	[illegible]
75	1981* / 100.00	AMRO BANK / 12.00 1/7/1986	106 3/8	[illegible]	[illegible]
60	1981* / 99.50	AMRO BANK / 12.00 1/11/1988	106 3/8	[illegible]	[illegible]
75	1976 / 99.75	ASIAN DEVELOPMENT BANK / 8.25 1/3/1983	99 1/2	[illegible]	[illegible]
100	1976 / 100.00	AUSTRALIA,COMMONWEALTH / 8.00 1/6/1983	99 3/8	[illegible]	[illegible]
75	1977 / 99.75	AUSTRIA,REPUBLIC OF / 7.25 15/11/1984	96 1/2	[illegible]	[illegible]
70	1975 / 100.00	AUSTRIA,REPUBLIC OF / 8.25 [illegible]	99 1/8	[illegible]	[illegible]
75	1978 / 100.00	BANK MEES & HOPE / 7.00 1/4/1983	98 1/2	[illegible]	7.11
75	1980 / 100.00	BANK MEES & HOPE / 10.00 1/8/1985	100 3/4	[illegible]	[illegible]
75	1982* / 100.00	BANK MEES & HOPE / 10.00 1/5/1987	99 1/8	10.23	10.09
60	1981* / 99.50	[illegible] FIN / 12.25 15/11/1986	108 3/8	[illegible]	[illegible]
75	1979 / 99.50	BRAZIL,REPUBLIC OF / 7.50 1/7/1983	[illegible]	12.92	7.92
75	1978 / 99.00	C.F.E. - MEXICO / 7.75 1/8/1983	93 1/2	14.06	8.29
40 / 10.0	1976 / 99.50	[illegible] / 8.50 [illegible]	99	[illegible]	[illegible]
150	1981 / 99.25	EURATOM / 11.50 1/8/1988	[illegible]	10.85	11.19
50	1982* / 100.00	EUROFIMA / 10.50 1/4/1989	101 3/8	10.20	10.36
60	1978 / 99.75	EUROPEAN COAL & STEEL / 8.00 15/2/1983	99 3/8	[illegible]	8.05
50 / 10.0	1972 / 100.00	EUROPEAN INVESTMENT BANK / 6.00 15/9/1982	99 3/8	[illegible]	6.04
75	1978 / 99.50	EUROPEAN INVESTMENT BANK / 7.25 1/10/1983	94 1/2	[illegible]	7.67
75	1976 / 99.75	EUROPEAN INVESTMENT BANK / 8.00 15/4/1983	99 1/4	[illegible]	8.06
75	1977 / 100.00	EUROPEAN INVESTMENT BANK / 8.00 [illegible]	98 1/2	[illegible]	8.12
75	1978 / 99.00	EUROPEAN INVESTMENT BANK / 8.25 1/1/1986	96 1/8	9.54	8.58
75	1982* / 100.00	EUROPEAN INVESTMENT BANK / 11.00 1/3/1987	102	10.42	10.78

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		EUROGUILDERS (CONTINUED)			
25 / 25.0	1979 / 99.50	FRIESCH-GRONINGSCHE HYPO / 8.75 1/11/1986	93 7/8	10.52 / 11.31	9.32
60	1980 / 99.25	FRIESCH-GRONINGSCHE HYPO / 9.75 1/9/1987	95 1/4	10.96	10.24
100	1980 / 99.50	HEINEKEN NV / 10.00 15/7/1987	101 1/4	9.67	9.88
75	1982* / 100.00	IRELAND / 10.50 15/6/1987	99 1/4	10.69	10.58
15 / 15.0	1979 / 100.00	LEASE PLAN NEDERLAND / 9.00 1/10/1986	95	10.46 / 10.82	9.47
75	1977 / 99.50	MEXICO,UTD STATES OF / 8.25 15/7/1982	99 1/2	11.90	8.29
75	1980 / 100.00	NATIONALE INVESTERS BANK / 10.00 15/8/1987	99 3/8	10.08	10.04
100	1982* / 100.00	NATIONALE INVESTERINGSBANK / 11.25 15/3/1987	102 3/8	10.57	10.99
60	1980 / 99.25	NATIONALE NEDERLANDEN / 9.50 15/8/1987	98 5/8	9.83	9.63
60	1980 / 100.00	NATIONALE NEDERLANDEN / 10.00 1/3/1987	101 1/8	9.67	9.89
60 / 60.0	1980 / 99.75	NATIONALE NEDERLANDEN / 10.00 15/11/1987	102 1/8	9.45 / 9.32	9.79
60	1981 / 99.25	NATIONALE NEDERLANDEN / 10.00 1/2/1988	101 1/4	9.68	9.88
25	1980 / 99.50	NEDERLANDSE CREDIETBANK / 10.00 15/3/1985	102 1/8	9.08	9.79
40	1981 / 100.00	NEDERLANDSE CREDIETBANK / 11.25 1/5/1986	104	9.96	10.82
75	1978 / 99.50	NEDER MIDDENSTANDSBANK / 6.50 1/6/1983	97 5/8	9.07	6.66
75	1979 / 100.00	NEDER MIDDENSTANDSBANK / 8.25 1/4/1984	99 3/8	8.60	8.30
75	1980 / 100.00	NEDER MIDDENSTANDSBANK / 10.00 1/9/1985	100 3/4	9.69	9.93
50	1979 / 99.50	NEDERLANDSE GASUNIE / 8.75 1/7/1984	P 99 3/4	8.87	8.77
60 / 60.0	1980 / 100.00	NEDERLANDSE GASUNIE / 10.25 15/11/1987	101 3/4	9.79 / 9.49	10.07
25 / 25.0	1980 / 99.50	NEDERLANDSE GASUNIE-OCT / 10.25 15/10/1987	100 7/8	10.00 / 9.96	10.16
75	1978 / 100.00	NEW ZEALAND,GOVT OF / 6.75 1/7/1984	96	8.92	7.03
75	1977 / 99.75	NEW ZEALAND,GOVT OF / 8.00 1/3/1983	99 3/8	8.80	8.05
100	1978 / 99.25	NORWAY,KINGDOM OF / 6.50 1/4/1983	98 3/8	8.54	6.61
100	1977 / 99.50	NORWAY,KINGDOM OF / 6.75 1/10/1982	99 1/4	8.67	6.80
100	1979 / 99.50	NORWAY,KINGDOM OF / 8.25 15/3/1984	99 1/8	8.76	8.32
100	1979 / 99.50	NORWAY,KINGDOM OF / 8.25 1/10/1984	99 1/8	8.64	8.32
75	1975 / 99.50	OSLO,CITY OF / 8.25 1/7/1982	99 3/4	10.73	8.27
75	1976 / 100.00	OSLO,CITY OF / 8.25 1/1/1984	99	8.89	8.33
75	1978 / 99.50	OSTERREICHE KONTROLLBANK / 6.50 15/3/1985	93 1/8	9.25	6.98
75	1977 / 99.50	OSTERREICHE KONTROLLBANK / 7.25 1/8/1982	99 1/2	9.97	7.29
75	1979 / 100.00	PHILIPS LAMPS / 8.25 15/10/1984	P 99 1/8	8.63	8.32
100	1982* / 100.00	PHILIPS LAMPS / 10.25 15/4/1987	101 3/4	9.77	10.07
50	1981 / 99.50	PIERSON HELDRING PIERSON / 10.25 1/3/1986	101	9.89	10.15
25	1979 / 99.50	RABOBANK / 9.00 15/11/1984	100 5/8	8.65	8.94
75	1980 / 100.00	RABOBANK / 10.50 1/7/1985	102 5/8	9.47	10.23
50	1981 / 99.50	RABOBANK / 12.00 15/6/1986	106 5/8	9.93	11.25
30	1976 / 99.75	SWEDISH EXPORT CREDIT / 8.25 1/4/1983	99 3/8	8.99	8.30
75	1981 / 99.75	SWEDISH EXPORT CREDIT / 11.25 1/4/1986	101 5/8	10.69	11.07
50	1980 / 99.75	F VAN LANSCHOT / 10.50 1/6/1985	101	10.10	10.40
60	1980 / 100.00	WESTLAND-UTRECHT HYPO / 10.25 1/8/1987	96 3/8	11.19	10.64
100	1976 / 100.00	WORLD BANK / 8.00 1/2/1983	99 1/2	8.48	8.04
150	1982* / 100.00	WORLD BANK / 10.00 1/6/1987	99 1/4	10.20	10.08
100	1981 / 99.00	WORLD BANK / 12.00 1/6/1986	105 3/8	10.29	11.39
150	1981* / 99.50	WORLD BANK / 12.75 1/10/1986	107 1/4	10.54	11.89
		EURO COMPOSITE UNITS			
60	1974 / 100.00	EUROPEAN INVESTMENT BANK / 8.00 18/1/1989	84 5/8	11.40	9.45
30	1973 / 99.50	EUROPEAN INVESTMENT BANK / 8.375 27/9/1988	85	11.65	9.85
20	1973 / 99.00	MET ESTATES & PROP / 8.75 15/11/1988	79	13.81	11.08
		EURO CURRENCY UNITS			
30 / 3.7	1973 / 99.50	BRAZIL,REPUBLIC OF / 8.00 1/3/1984	98 1/4	9.08 / 9.44	8.14
30	1982* / 99.75	CENT NUC EUR - SERSA / 13.875 15/2/1990	99 1/8	14.03	14.00
25	1982* / 100.75	COUNCIL OF EUROPE / 14.25 30/3/1990	101 3/4	13.85	14.00
60 / 21.5	1971 / 99.50	ENEL / 7.25 1/5/1986	92 3/8	9.67 / 11.08	7.85
40	1981* / 100.00	EUROPEAN INVESTMENT BANK / 13.25 11/6/1989	98 7/8	13.50	13.40
45	1981* / 99.25	EUROPEAN INVESTM'T BK SW / 14.25 28/10/1989	100 5/8	14.06	14.16

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		EURO CURRENCY UNITS (CONTINUED)			
43	1981* / 99.25	EUROPEAN INVESTM'T BK SW / 14.25 28/10/1989	101	13.97	14.11
10 / 4.5	1971 / 99.50	INTERFRIGO / 7.50 12/3/1986	94 7/8	9.14 / 9.96	7.91
30 / 30.0	1981* / 100.00	IST BANC S P DI TORINO / 14.75 3/12/1988	101 7/8	14.23 / 14.17	14.48
50	1982* / 100.00	ITALY,REPUBLIC OF / 14.00 22/2/1989	99 1/4	14.14	14.11
40	1981* / 99.00	QUEBEC HYDRO / 14.25 16/9/1988	101 3/8	13.86	14.06
35 / 33.6	1981 / 100.00	S.F.T.E. / 13.00 21/4/1987	97 3/8	13.75 / 13.84	13.35
25 / 12.0	1971 / 100.00	SOUTH AFRICA,REPUBLIC OF / 8.00 1/4/1986	94 5/8	9.73 / 10.73	8.45
		EURO UNITS OF ACCOUNT			
12 / 6.0	1975 / 100.00	A.P.E.L. / 9.50 21/2/1985	96 7/8	10.86 / 11.36	9.81
16 / 16.0	1978 / 99.25	AUTOROUTES COTE BASQUE / 7.00 10/7/1993	68 3/8	12.39 / 14.04	10.24
30 / 21.5	1973 / 98.50	BASS CHARRINGTON / 7.00 1/3/1991	68 1/8	13.39 / 15.04	10.25
15 / 9.6	1973 / 98.00	BRISA-AUTO-ESTRADAS / 8.75 6/2/1989	86 3/8	11.79 / 13.34	10.14
17 / 13.3	1974 / 99.50	COFIROUTE / 9.00 12/5/1989	87 5/8	11.74 / 12.85	10.28
30	1978 / 100.25	COPENHAGEN,CITY OF / 7.00 2/5/1993	70 1/8	12.06	9.99
25	1979 / 99.75	COPENHAGEN,CITY OF / 8.25 15/3/1991	78	12.47	10.58
20	1976 / 99.00	COPENHAGEN,CITY OF / 8.75 15/6/1986	90 5/8	11.80	9.66
25	1975 / 99.50	COPENHAGEN,CITY OF / 9.25 25/9/1985	93 5/8	11.65	9.88
15 / 15.0	1982* / 100.00	COPENHAGEN,CITY OF / 12.75 4/2/1992	99 5/8	12.80 / 12.84	12.80
15 / 3.0	1969 / 98.50	COPENHAGEN COUNTY AUTH / 7.00 9/5/1984	163		5.06
12 / 4.6	1971 / 100.00	COPENHAGEN COUNTY AUTH / 8.00 10/2/1986	163		5.78
20	1979 / 100.00	COPENHAGEN COUNTY AUTH / 8.75 10/9/1991	79 3/8	12.63	11.03
20	1975 / 99.50	COPENHAGEN COUNTY AUTH / 9.25 23/10/1985	93 7/8	11.50	9.86
20	1975 / 99.50	COPENHAGEN TELEPHONE / 9.50 28/5/1985	94 5/8	11.75	10.04
20	1980 / 99.00	ELSAM / 10.00 5/11/1987	92	12.07	10.86
20	1981* / 99.00	ELSAM / 11.50 27/7/1989	97 3/8	12.06	11.82
25	1976 / 100.00	ENSO-GUTZEIT / 9.25 10/2/1984	96 1/8	11.86	9.61
20 / 6.7	1971 / 99.75	ESCOM / 8.25 11/6/1986	165 1/2		5.87
20 / 5.7	1966 / 99.38	EUROPEAN COAL & STEEL / 5.75 1/2/1986	137		4.31
10	1976 / 99.00	FUNEN TELEPHONE CO / 9.00 15/9/1984	95 3/8	11.37	9.44
25	1981 / 100.00	GAZ DE FRANCE / 9.625 10/2/1986	94 3/8	11.36	10.20
15 / 5.0	1973 / 99.75	G.I.S. / 9.75 10/4/1983	96 7/8	13.79	10.07
11 / 11.0	1979 / 100.00	GOTHENBURG,CITY OF / 9.125 15/11/1989	90 1/8	11.13 / 11.67	10.13
10 / 1.9	1964 / 98.00	GREATER COPENHAGEN / 5.625 15/4/1984	159		4.17
18	1975 / 100.00	HELSINKI,CITY OF / 10.00 31/1/1983	97 7/8	13.37	10.22
12 / 9.6	1973 / 100.00	ICELAND,REPUBLIC OF / 8.50 24/10/1988	86 3/8	11.35 / 12.45	9.82
13 / 7.1	1976 / 100.00	ICELAND,REPUBLIC OF / 9.25 20/2/1983	98 3/8	10.87	9.36
12	1976 / 100.00	ICELAND,REPUBLIC OF / 9.25 16/7/1986	97 1/8	10.13	9.53
12	1974 / 99.50	ICELAND,REPUBLIC OF E79C / 10.00 20/12/1994	98 3/8	10.23	10.17
25	1977 / 100.25	IMATRAN VOIMA / 8.50 20/6/1987	88 7/8	11.53	9.57
20	1975 / 99.75	IMATRAN VOIMA / 9.75 25/3/1985	96 7/8	11.09	10.07
15 / 15.0	1973 / 100.00	INDUSTRIAL BANK-FINLAND / 7.00 5/4/1993	67 7/8	12.58 / 15.26	10.32
15 / 9.0	1975 / 99.00	IND MIGE BANK OF FINLAND / 9.50 7/11/1983	97 5/8	11.52 / 12.66	9.76
25 / 12.5	1975 / 99.50	IRELAND,REPUBLIC OF / 9.25 7/7/1982	99 3/8	15.35	9.31
20 / 13.0	1974 / 99.50	IRELAND,REPUBLIC OF / 9.75 12/6/1984	95 5/8	12.32 / 12.82	10.20
15 / 13.6	1978 / 99.50	KOMMUNLANEINSTITUTET / 7.50 12/10/1993	75 7/8	11.38 / 13.27	9.89
12 / 8.8	1978 / 100.00	KOMMUNLANEINSTITUTET / 7.75 25/1/1993	78 3/8	11.34 / 13.43	9.89
9 / 7.7	1980 / 100.00	KOMMUNLANEINSTITUTET / 9.50 27/9/1990	90 1/8	11.38 / 12.57	10.55
15 / 7.5	1969 / 97.00	MANITOBA,PROVINCE R84C / 7.00 17/6/1989	162 1/2	1.33	5.08
30 / 28.7	1975 / 100.00	MANITOBA,PROVINCE OF / 9.25 8/12/1989	95 7/8	10.69 / 11.11	9.65
25	1981* / 99.75	MONTREAL,CITY OF / 13.25 19/11/1988	100 5/8	13.06	13.17
25 / 25.0	1979 / 100.00	MORTGAGE BANK OF DENMARK / 9.00 22/11/1991	85 1/8	11.46 / 12.36	10.58
20 / 20.0	1981* / 100.00	NEDERLANDSE GASUNIE / 11.25 1/7/1985	99 3/8	11.40 / 11.45	11.33
12 / 1.0	1963 / 99.00	NORGES KOMMUNALBANK / 5.50 15/1/1983	161 1/2		4.01
15 / 5.7	1971 / 92.75	NORGES KOMMUNALBANK / 7.75 15/3/1986	165		5.33
12 / 8.2	1975 / 98.50	OSLO,CITY OF / 8.875 1/4/1992	83 3/8	11.82 / 13.18	10.65

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		EURO UNITS OF ACCOUNT (CONTINUED)			
25 / 15.5	1975 / 99.50	OSLO,CITY OF / 9.25 15/10/1985	96 3/8	10.56 / 11.35	9.60
20 / 20.0	1978 / 99.50	PANAMA,REPUBLIC OF / 8.25 2/10/1993	64 1/2	14.90 / 16.30	12.80
20 / 15.1	1975 / 98.00	PECHINEY UGINE KUHLMANN / 8.75 22/2/1989	83 3/8	12.54 / 13.87	10.50
40 / 38.0	1979 / 100.00	QUEBEC,PROVINCE OF / 9.25 17/12/1994	82 5/8	11.98 / 12.54	11.20
22 / 22.0	1978 / 99.50	S.D.R. - FRANCE / 7.00 5/7/1993	69 3/8	12.17 / 14.93	10.10
24 / 24.0	1979 / 99.50	S.D.R. - FRANCE / 8.50 27/6/1994	82 1/8	11.28 / 12.26	10.36
22 / 18.0	1975 / 100.00	S.D.R. - FRANCE / 9.25 15/12/1985	93 1/8	11.70 / 13.11	9.94
25 / 15.0	1975 / 99.50	S.D.R. - FRANCE / 9.50 5/5/1987	94 3/8	11.04 / 11.62	10.07
40 / 40.0	1979 / 99.50	S.F.T.E. / 8.25 10/4/1989	78 3/4	13.13 / 14.65	10.48
8 / 3.5	1969 / 98.00	SCOTLAND HYDRO/ELECTRIC / 8.00 10/12/1984	165 1/2		5.69
20 / 3.3	1970 / 98.00	SOUTH AFRICA,REPUBLIC OF / 8.75 30/12/1982	170		6.06
20	1975 / 99.00	STATSFORETAG / 9.25 29/12/1985	96 3/8	10.49	9.60
18	1980 / 99.00	UNION BANK OF NORWAY / 9.50 5/3/1990	89 3/8	11.64	10.63
12 / 3.0	1969 / 98.00	WATNEY MANN INT FIN / 7.00 13/6/1984	162 1/2		5.08
		FRENCH FRANCS			
150 / 150.0	1980 / 100.25	AEROPORT DE PARIS / 13.125 22/8/1987	87 1/2	16.85 / 17.48	15.00
100 / 43.0	1975 / 99.25	AEROSPATIALE / 10.00 6/5/1985	P 86 1/2	16.10 / 18.83	11.56
120	1979 / 99.50	AIR FRANCE / 11.00 15/9/1984	91 1/4	15.73	12.05
200	1981 / 100.00	AIR FRANCE / 14.50 16/4/1986	94 5/8	16.44	15.32
250	1981 / 100.00	BANKAMERICA O/S FIN / 14.50 30/4/1986	94 3/4	16.39	15.30
500	1981 / 100.00	B.F.C.E / 14.50 25/3/1986	95 1/8	16.25	15.24
100 / 65.0	1972 / 98.50	B.A.T. INT FIN / 7.50 15/11/1987	66 3/4	17.36 / 20.17	11.24
200 / 64.0	1972 / 100.00	BASF TRANSATLANTICA / 7.50 1/5/1987	71 1/4	16.45 / 19.34	10.53
50 / 32.5	1972 / 100.00	BASS CHARRINGTON / 7.50 1/8/1987	65 7/8	18.20 / 21.55	11.39
100 / 70.0	1972 / 100.00	BRITISH LEYLAND MOTOR / 7.50 30/9/1987	62 3/4	19.21 / 27.22	11.95
400	1980 / 100.00	CHARBONNAGES DE FRANCE / 13.875 16/12/1985	93 5/8	16.28	14.82
100 / 76.0	1972 / 98.00	CHARTER CONSOLIDATED O/S / 7.50 1/10/1987	59 1/4	20.78 / 23.30	12.66
225	1980 / 100.00	CIT-HONEYWELL BULL / 14.25 28/11/1985	92 3/4	17.06	15.36
100 / 70.0	1972 / 100.00	CIMENTS LAFARGE / 7.50 1/7/1987	71 7/8	15.96 / 19.92	10.43
100 / 64.0	1972 / 99.50	DENMARK,KINGDOM OF / 7.50 1/9/1987	71 3/4	15.76 / 18.92	10.45
100 / 75.8	1973 / 100.00	DENMARK,KINGDOM OF / 7.75 15/4/1988	67 3/8	16.91 / 19.51	11.50
400	1980 / 100.00	ELECTRICITE DE FRANCE / 14.25 15/4/1985	96	16.04	14.84
150 / 150.0	1978 / 99.50	ELF AQUITAINE / 9.75 14/12/1988	73 1/8	16.77 / 17.78	13.33
100 / 78.0	1973 / 98.50	ENSO-GUTZEIT / 8.00 16/7/1988	66 3/8	17.21 / 21.87	12.81
150	1979 / 100.00	EURATOM / 9.75 31/5/1987	76 7/8	16.97	12.68
130	1980 / 100.00	EUROFIMA / 13.50 22/5/1987	89	16.94	15.17
150 / 75.0	1973 / 99.00	EUROPEAN COAL & STEEL / 7.25 1/4/1987	74 3/4	14.92 / 19.63	9.70
150 / 140.0	1973 / 99.50	EUROPEAN COAL & STEEL / 7.50 1/7/1991	58 1/4	16.75 / 18.89	12.88
150	1980 / 99.00	EUROPEAN COAL & STEEL / 14.25 3/4/1986	93 7/8	16.47	15.18
175 / 122.5	1972 / 99.75	EUROPEAN INVESTMENT BANK / 7.25 1/8/1987	72 1/2	15.30 / 20.22	10.00
200 / 137.0	1973 / 99.25	EUROPEAN INVESTMENT BANK / 7.25 15/5/1988	65 3/8	16.90 / 18.95	11.09
200	1978 / 99.50	EUROPEAN INVESTMENT BANK / 9.75 1/10/1988	73 3/8	16.85	13.29
300	1980 / 99.50	EUROPEAN INVESTMENT BANK / 14.125 7/1/1988	90 1/2	16.79	15.61
80	1979 / 100.00	FINLAND,REPUBLIC OF / 11.00 15/10/1984	90 1/8	16.22	12.21
70 / 70.0	1979 / 99.75	FINLAND,REPUBLIC OF / 11.50 15/10/1989	77 7/8	16.92 / 17.38	14.77
150	1979 / 99.50	GAZ DE FRANCE / 11.00 30/10/1984	90 7/8	15.71	12.10
600	1981 / 100.00	GAZ DE FRANCE / 13.875 15/2/1986	93 1/4	16.36	14.88
150	1979 / 99.50	IBM FRANCE / 11.875 28/12/1984	90 3/4	16.44	13.09
125 / 125.0	1980 / 99.50	LA REDOUTE / 14.375 23/12/1985	92 5/8	17.20 / 18.04	15.52
150	1980 / 100.00	MEXICO,UTD STATES OF / 14.00 1/6/1985	[illegible]	20.04	[illegible]
75 / 45.0	1972 / 98.25	MONTREAL CATHOLIC SCHOOL / 7.50 1/3/1987	69 1/4	17.51 / 19.36	10.83
150	1975 / 100.00	NATIONALE DES AUTO E83 / 9.75 1/7/1987	93 1/2	11.98	10.43
125 / 50.0	1972 / 100.50	NATIONALE DES TELECOMM / 7.50 1/3/1984	88 3/4	15.46 / 18.74	8.49
75 / 51.0	1972 / 98.00	NEW ZEALAND,GOVT OF / 7.25 1/6/1987	72	15.74 / 20.12	10.07
200	1979 / 100.00	NORWAY,KINGDOM OF / 9.25 20/2/1984	90 5/8	15.77	10.21

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		FRENCH FRANCS (CONTINUED)			
100 / 70.0	1972 / 99.25	NOVA SCOTIA,PROVINCE OF / 7.50 15/7/1987	72 1/4	15.76 / 19.57	10.38
100 / 72.5	1972 / 99.50	OSLO,CITY OF / 7.25 1/3/1987	71 3/8	16.23 / 20.08	10.12
400	1981 / 100.00	OSTERREICHE KONTROLLBANK / 14.00 15/2/1986	93	16.39	15.05
130	1975 / 100.00	PARIBAS / 10.25 15/7/1982	98 5/8	21.03	10.39
175 / 175.0	1979 / 101.50	P.S.A. PEUGEOT-CITROEN / 9.75 1/2/1987	75 1/4	17.95 / 20.68	12.96
100 / 61.0	1972 / 100.00	PONT-A-MOUSSON / 7.50 1/8/1987	72 1/8	15.74 / 21.47	10.40
125 / 86.0	1972 / 100.00	QUEBEC,PROVINCE OF / 7.50 15/6/1987	72 7/8	15.66 / 21.66	10.29
80 / 49.6	1972 / 99.00	READY MIXED CONCRETE / 7.75 25/10/1987	64 3/4	18.58 / 23.09	11.97
200 / 142.0	1972 / 99.50	RENAULT / 7.25 15/3/1987	72 1/8	15.91 / 19.22	10.05
100	1979 / 100.00	RENAULT / 9.75 6/7/1985	83 7/8	16.80	11.62
300	1980 / 99.50	RENAULT / 13.625 21/10/1985	92 1/8	16.75	14.79
100 / 65.0	1972 / 100.50	RHONE-POULENC / 7.50 15/4/1987	72 1/4	16.12 / 19.60	10.38
130	1979 / 100.00	SAINT-GOBAIN-PONT-MOUS'S / 9.75 15/5/1986	80 5/8	16.83	12.09
125	1979 / 100.50	SOLVAY ET CIE / 9.75 18/4/1987	73 3/8	18.45	13.29
200	1981 / 100.25	SOLVAY & CIE / 14.75 13/3/1986	92 7/8	17.40	15.88
550	1980 / 100.00	S.N.C.F. / 13.125 19/6/1985	93 1/8	16.12	14.09
100 / 76.0	1973 / 99.50	STAR EUROPEAN FIN / 8.00 15/6/1988	62 1/4	19.02 / 26.07	12.85
400	1980 / 100.00	SWEDEN,KINGDOM OF / 12.875 1/8/1985	90 1/2	16.92	14.23
250 / 250.0	1981 / 100.00	SWEDISH EXPORT CREDIT / 14.625 8/4/1986	93 7/8	16.86 / 17.46	15.58
150	1979 / 99.75	TOTAL OIL MARINE / 9.375 15/3/1987	76 1/8	17.01	12.32
120	1980 / 100.00	TRADINVEST BK & TRUST CO / 13.50 1/10/1985	88 3/8	19.28	15.63
100	1978 / 100.00	UNILEVER NV INVEST / 10.00 17/11/1985	82 1/2	17.00	12.12
125 / 50.0	1976 / 100.00	PEUGEOT / 10.00 10/2/1983	95 1/2	17.09	10.47
100	1980 / 100.00	WESTLAND-UTRECHT HYPO / 14.00 12/11/1985	87 5/8	19.08	15.98
150 / 105.0	1972 / 99.75	WORLD BANK / 7.25 15/6/1987	71 7/8	15.72 / 21.19	10.09
		HONGKONG DOLLARS			
300	1977 / 100.00	HONGKONG LAND INTL / 7.25 1/6/1985	81	15.64	8.95
200	1977 / 100.00	JARDINE MATHESON BERMUDA / 7.25 15/6/1985	81	15.33	8.95
		JAPANESE YEN			
15	1978 / 100.00	ASIAN DEVELOPMENT BANK / 5.75 1/9/1988	89 1/2	7.93	6.42
15	1981 / 99.38	ASIAN DEVELOPMENT BANK / 8.25 15/6/1991	100 5/8	8.16	8.20
15	1981* / 100.00	AUSTRALIA,COMMONWEALTH / 8.50 1/8/1991	101 5/8	8.25	8.36
15	1982* / 100.00	DENMARK,KINGDOM OF / 8.25 1/5/1992	100	8.25	8.25
10	1979 / 99.50	EUROFIMA / 6.50 15/4/1986	95 3/8	7.92	6.82
10	1980 / 100.00	EUROFIMA / 8.75 1/11/1988	102 1/8	8.29	8.57
10	1977 / 100.00	EUROPEAN INVESTMENT BANK / 7.25 1/5/1984	99 3/8	7.60	7.30
15	1979 / 99.25	EUROPEAN INVESTMENT BANK / 7.75 1/9/1989	99	7.93	7.83
15	1980 / 99.50	EUROPEAN INVESTMENT BANK / 8.75 15/12/1990	102 3/8	8.34	8.55
15	1980 / 100.00	FINLAND,REPUBLIC OF / 8.375 1/6/1987	100 3/4	8.19	8.31
15	1981* / 99.50	INTER-AMERICAN DEV BK / 8.875 1/11/1991	102 7/8	8.41	8.63
9	1982* / 100.00	JAPAN AIR LINES $ DENOM / 7.875 23/2/1987	98 1/4	8.32	8.02
13	1982* / 100.00	JAPAN DEV BANK $ DENOM / 8.00 18/3/1987	99 1/2	8.12	8.04
15	1981* / 100.00	NEW ZEALAND,GOVT OF / 8.375 15/12/1987	101 3/8	8.07	8.26
15	1980 / 100.00	SWEDEN,KINGDOM OF / 8.50 1/8/1990	101 1/4	8.28	8.40
20	1977 / 100.00	WORLD BANK / 6.25 15/8/1984	97 3/4	7.37	6.39
20	1982* / 100.00	WORLD BANK / 8.375 10/3/1992	101	8.21	8.29
20	1981 / 100.00	WORLD BANK / 8.75 20/2/1991	102	8.41	8.58
		KUWAITI DINARS			
2 / 2.0	1977 / 100.00	AFRICAN DEVELOPMENT BANK / 8.75 15/3/1987	85 3/8	12.92 / 13.54	10.25
5	1977 / 100.00	AFRICAN DEVELOPMENT BANK / 8.50 15/3/1987	95 5/8	9.71	8.91
4 / 4.0	1979 / 99.75	ASEA / 8.00 1/10/1989	77 1/2	12.90 / 14.77	10.32
6	1975 / 99.50	AUTOPISTAS ESPA.S E80 / 11.00 15/4/1985	95 1/4	13.05	11.55
5	1977 / 100.00	AUTOPIST VASCO-ARAGA W85 / 8.75 15/11/1987	93 5/8	10.31	9.35
10	1978 / 100.00	BANCO NAC CRED RURAL R85 / 8.25 15/6/1990	88 3/8	10.45	9.34
7	1978 / 100.00	BANCO NAC DE OBRAS R85 / 8.25 15/4/1990	89 3/8	10.27	9.23

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		KUWAITI DINARS (CONTINUED)			
6	1976 / 99.75	BANCO NAC DE OBRAS R81 / 8.50 15/4/1986	89 3/8	12.07	9.51
5	1976 / 99.75	BANK HANDLOWY W WARS R81 / 8.75 15/2/1986	83	15.00	10.54
4	1977 / 99.00	BANK HANDLOWY W WARS R82 / 9.00 1/4/1987	81	14.74	11.11
7 / 7.0	1978 / 99.50	BQUE DEVT ECON TUNISIE / 8.00 15/12/1985	86 5/8	12.89 / 13.75	9.24
8	1978 / 100.00	BQUE NAT D'ALGERIE R85 / 8.25 15/6/1990	88 3/8	10.45	9.34
10 / 4.0	1975 / 100.00	BQUE NAT D'ALGERIE / 8.50 1/7/1983	95 7/8	12.76 / 16.56	8.87
10 / 10.0	1979 / 100.00	B.N.P. / 7.75 15/6/1989	77 7/8	12.68 / 15.13	9.95
10	1978 / 100.00	NAT ALGERIE NAVIGAT R86 / 8.50 15/11/1990	84 7/8	11.35	10.01
7 / 4.7	1976 / 100.00	NAT ALGERIE NAVIGAT R81 / 8.75 15/5/1986	87 3/4	12.88 / 15.13	9.97
10 / 10.0	1979 / 100.00	C.C.C.E. / 8.00 15/9/1994	71 1/2	12.68 / 15.40	11.19
10	1979 / 99.50	CESP-CENT ENER S PLO R87 / 8.125 15/3/1991	82 7/8	11.28	9.80
7	1982* / 100.00	CHARBONNAGES DE FRANCE / 11.75 15/2/1989	94 7/8	12.90	12.38
6	1979 / 99.50	CREDIT LYONNAIS / 8.00 15/10/1987	82 5/8	12.61	9.68
10 / 10.0	1978 / 99.38	CREDIT IMMOBILIER / 8.375 1/8/1988	81	13.02 / 14.30	10.34
3	1976 / 99.50	CREDIT IMMOBILIER R81 / 8.50 1/7/1996	86 5/8	12.39	9.81
6 / 6.0	1979 / 99.75	CREDIT IMMOBILIER / 8.75 15/8/1989	82 1/8	12.65 / 14.32	10.65
7 / 7.0	1981* / 91.38	CREDIT NATIONAL R88 / 10.00 15/11/1991	88 3/8	12.10 / 12.65	11.32
7 / 7.0	1982* / 99.00	DART & KRAFT FIN / 11.75 1/3/1989	94 3/8	13.02 / 13.16	12.45
7	1978 / 99.75	DEVT BK PHILIPPINES R85 / 8.50 1/10/1990	88 5/8	10.60	9.59
10	1978 / 100.25	ELETROBRAS - BRAZIL R85 / 8.25 15/10/1990	87 3/4	10.50	9.40
5 / 5.0	1982* / 91.13	ENSO-GUTZEIT / 10.00 15/2/1989	87 3/8	12.89 / 13.78	11.44
6 / 6.0	1981* / 99.25	EUROFIMA / 11.00 30/9/1989	91 3/8	12.85 / 13.05	12.04
7	1978 / 100.00	FINNISH EXPORT CREDIT / 7.25 15/5/1983	94 1/2	15.70	7.67
5 / 4.5	1979 / 99.50	FINNISH MUNICIPALITIES / 7.50 1/4/1989	77 1/4	12.65 / 15.26	9.71
4 / 1.6	1975 / 99.50	ICELAND,REPUBLIC OF P / 8.75 1/12/1982	97 3/8	14.14	8.99
7	1979 / 99.75	INDONESIA,REPUBLIC R86 / 8.75 15/7/1991	87 3/8	11.00	10.01
6 / 5.4	1978 / 100.50	INDUSTRIAL BANK-FINLAND / 7.50 15/1/1989	77 5/8	12.46 / 15.43	9.66
10	1978 / 100.00	INDUSTRIAL BANK-KUWAIT / 7.50 9/3/1983 S	95 3/8	14.40	8.02
12 / 12.0	1978 / 100.00	INDUSTRIAL BANK-KUWAIT / 7.50 15/6/1988	78 7/8	12.71 / 14.80	9.51
5 / 3.0	1977 / 99.75	JUGOBANKA / 8.75 1/12/1985	93 3/8	13.80 / 15.29	9.37
12	1979 / 99.75	KOREA DEVT BANK R84 / 7.875 15/3/1989	90 3/8	9.87	8.71
10 / 7.5	1979 / 99.50	MITSUBISHI HEAVY IND / 7.50 1/8/1984	91 5/8	12.22 / 16.04	8.21
6 / 4.0	1976 / 100.00	NACIONAL FINANCIERA P / 8.75 1/10/1985	96 7/8	11.30 / 12.90	9.03
12 / 12.0	1979 / 99.50	NORGES KOMMUNALBANK / 7.50 15/5/1989	78 3/8	12.30 / 14.33	9.57
7	1979 / 99.25	OCCIDENTAL INT FIN R87 / 8.25 15/5/1991	83 5/8	11.24	9.87
10 / 8.4	1978 / 100.00	OSLO,CITY OF / 7.625 15/12/1990	74 5/8	12.62 / 14.65	10.22
7 / 6.7	1980 / 99.25	OSLO,CITY OF / 9.25 15/9/1990	83 1/8	12.62 / 13.75	11.13
4	1976 / 99.75	PANAMA,REPUBLIC OF R82 / 9.00 15/1/1987	86 5/8	12.98	10.39
5	1978 / 99.75	PANAMA,REPUBLIC OF R83 / 9.00 15/1/1988	96 7/8	9.72	9.29
7	1977 / 100.00	PETROLEOS MEXICANOS R82 / 8.50 15/12/1987	97 1/8	9.16	8.75
7 / 4.0	1975 / 100.00	PETROLEOS MEXICANOS / 8.75 1/7/1985	86 7/8	14.27 / 19.14	10.07
5	1977 / 99.50	PHILIPPINES,REPUBLIC OF / 9.00 15/4/1983	96 1/8	13.90	9.36
5 / 1.0	1976 / 100.00	PRIVREDNA BANKA P / 9.25 1/11/1982	97 7/8	14.38	9.45
7	1982* / 100.00	RICHARDSON-VICKS O/S FIN / 12.25 1/4/1987	97 1/4	13.02	12.60
7 / 7.0	1978 / 100.00	SAMIR-MOROCCO R83 / 8.50 1/3/1988	96 3/8	9.33 / 9.86	8.82
12	1978 / 100.00	SONATRACH R85 / 8.50 1/4/1990	87 7/8	10.86	9.67
7 / 7.0	1981* / 94.75	STOCKHOLM,CITY OF R88 / 10.00 1/9/1991	88 1/8	12.19 / 12.76	11.35
7	1981* / 94.50	SWEDISH EXPORT CREDIT / 10.00 15/9/1986	90 5/8	12.94	11.03
7 / 7.0	1979 / 99.50	TVO POWER / 7.875 15/9/1989	77 5/8	12.76 / 14.35	10.14
7 / 7.0	1981* / 100.00	UNION PACIFIC FINANCE / 11.75 1/12/1988	94 5/8	12.98 / 13.12	12.42
		KRONERS (DENMARK)			
	1972 / 99.50	COPENHAGEN,CITY OF / 6.25 1/9/1987	88 1/2	9.08 / 11.01	7.06
		KRONERS (NORWAY)			
	1980 / 100.00	EKSPORTFINANS / 10.25 15/10/1985	90 1/2	13.90	11.33
	1981 / 99.00	EKSPORTFINANS / 11.25 15/4/1986	92 5/8	13.73	12.15

Issued/Amt. o/s ($m)	Year of issue/Issue price	Borrower/Coupon Maturity	Price	Yield to maturity/Yield to avge. life	Current yield
		KRONERS (NORWAY) (CONTINUED)			
80	1979 / 100.00	NORDIC INVESTMENT BANK / 10.00 15/1/1985	92 1/4	13.63	10.84
20	1980 / 100.00	NORDIC INVESTMENT BANK P / 10.00 15/2/1985	93	13.17	10.75
100	1981 / 99.50	NORDIC INVESTMENT BANK / 10.25 1/4/1986	90	13.74	11.39
220 / 110.0	1975 / 100.00	NORGES KOMMUNALBANK / 8.75 1/3/1987	98 1/2	9.19 / 9.35	8.88
100 / 100.0	1980 / 100.00	NORWEGIAN MORTGAGE ASSOC / 10.50 15/4/1988	89 7/8	[illegible] / 14.51	11.68
100 / 100.0	1982* / 100.00	NORWEGIAN MORTGAGE ASSOC / 13.50 30/4/1990	98 1/8	13.89 / 14.03	13.76
100	1980 / 99.50	OSLO,CITY OF / 9.75 15/3/1986	89 7/8	13.40	10.85
100 / 80.0	1980 / 100.00	OSLO,CITY OF / 10.25 15/2/1990	90	12.31 / 13.30	11.39
100	1981* / 100.00	WORLD BANK / 13.00 30/10/1986	98 1/8	13.53	13.25
		LUXEMBOURG FRANCS			
500 / 470.0	1979 / 100.00	ARBED / 9.25 25/10/1987	92 3/4	11.07 / 11.38	9.97
800 / 690.0	1972 / 100.00	ARBED FINANCE / 6.50 16/6/1987	76 3/4	13.07 / 18.36	8.47
	1975 / 99.50	ARBED FINANCE / 8.25 20/10/1985	D 93	14.01	8.87
750 / 650.0	1976 / 100.00	ARBED FINANCE / 8.75 30/7/1984	D 90 3/4	13.93 / 14.41	9.64
400 / 200.0	1972 / 100.00	ASIAN DEVELOPMENT BANK / 6.75 25/4/1987	86	10.34 / 12.00	7.85
500 / 300.0	1973 / 99.75	BERGEN,CITY OF / 7.50 30/4/1991	71	13.24 / [illegible]	10.56
500 / 300.0	1972 / 100.00	BURMAH OIL / 7.00 30/6/1987	76 3/4	13.62 / 19.23	9.12
500	1978 / 100.00	COPENHAGEN TELEPHONE / 8.00 24/3/1988	D 82 3/8	12.34	9.86
500	1979 / 100.00	COPENHAGEN TELEPHONE / 8.25 24/2/1989	83 3/8	11.96	9.90
500 / 300.0	1972 / 99.75	COUNCIL OF EUROPE / 7.00 15/9/1987	76 1/2	13.46 / 16.47	9.15
500	1981 / 100.00	CREDIT LYONNAIS - GR / 11.25 30/1/1988	97	11.81	11.60
500	1982* / 100.00	CREDIT LYONNAIS / 13.00 2/3/1989	102 1/2	12.40	12.68
800 / 480.0	1972 / 100.00	DENMARK,KINGDOM OF / 6.75 14/8/1987	75	13.76 / 19.49	9.00
500	1979 / 100.00	EURATOM / 8.00 22/3/1987	86 7/8	11.70	9.21
500	1979 / 100.00	EURATOM / 9.75 8/1/1989	92 3/4	11.54	10.51
500 / 500.0	1981 / 100.00	EURATOM / 12.25 26/5/1988	99 1/2	12.37 / 12.40	12.31
500 / 500.0	1982* / 100.00	EURATOM / 12.50 31/3/1992	99 1/2	12.57 / 12.60	12.56
400 / 280.0	1973 / 99.00	EUROFIMA / 6.75 30/5/1988	86 7/8	9.74 / 12.25	7.77
500 / 500.0	1978 / 100.00	EUROFIMA / 7.50 24/5/1988	D 80 7/8	12.18 / 14.09	9.27
500 / 500.0	1979 / 99.25	EUROFIMA / 8.50 18/7/1989	86 1/4	11.41 / 11.58	9.86
500 / 150.0	1975 / 100.00	EUROFIMA / 9.75 24/1/1985	D 98 3/4	11.66	9.87
500	1980 / 99.50	EUROFIMA / 10.50 21/10/1987	96 1/4	11.43	10.91
500	1981* / 99.50	EUROFIMA / 12.25 17/6/1988	98 7/8	12.52	12.39
400 / 240.0	1972 / 99.00	EUROPEAN COAL & STEEL / 6.75 15/12/1987	87 3/8	9.85 / 12.05	7.75
800 / 300.0	1973 / 99.00	EUROPEAN COAL & STEEL / 7.00 15/3/1989	84 1/4	14.17 / 17.95	[illegible]
800 / 560.0	1973 / 98.25	EUROPEAN COAL & STEEL / 7.00 1/7/1988	74	13.92 / 18.82	9.46
500 / 450.0	1973 / 98.50	EUROPEAN COAL & STEEL / 7.25 20/12/1988	87 3/8	9.94 / 11.24	8.30
300 / 85.0	1971 / 100.00	EUROPEAN COAL & STEEL / 7.75 18/8/1983	93	14.31 / 19.25	8.33
250	1978 / 100.00	EUROPEAN COAL & STEEL / 7.75 27/7/1988	85 1/8	11.21	9.10
600 / 350.0	1978 / 99.25	EUROPEAN COAL & STEEL / 7.75 20/10/1988	80 1/2	12.30 / 13.42	9.63
500 / 460.0	1977 / 100.00	EUROPEAN COAL & STEEL / 8.50 25/5/1987	D 89 1/2	11.37 / 11.88	9.50
500	1979 / 99.75	EUROPEAN COAL & STEEL / 8.75 28/3/1987	88	11.89	9.94
500 / 260.0	1975 / 99.25	EUROPEAN COAL & STEEL / 9.00 12/3/1985	D 97 1/8	10.20 / 10.75	9.27
500	1976 / 100.00	EUROPEAN COAL & STEEL / 9.50 3/11/1986	D 96 7/8	10.37	9.81
300 / 300.0	1980 / 99.00	EUROPEAN COAL & STEEL / 10.00 20/3/1990	93 3/8	11.32 / 11.76	10.83
400 / 240.0	1972 / 99.00	EUROPEAN INVESTMENT BANK / 6.75 15/12/1987	87 7/8	9.66 / 11.70	7.68
400 / 200.0	1971 / 98.00	EUROPEAN INVESTMENT BANK / 7.00 15/10/1986	93 3/4	8.76 / 10.04	7.47
800 / 480.0	1973 / 98.50	EUROPEAN INVESTMENT BANK / 7.00 1/2/1988	75	13.37 / 17.98	9.33
800 / 600.0	1973 / 98.25	EUROPEAN INVESTMENT BANK / 7.00 1/6/1988	75	13.30 / 17.93	9.33
500 / 350.0	1973 / 99.50	EUROPEAN INVESTMENT BANK / 7.00 1/8/1988	91 5/8	8.61 / 10.38	7.64
500	1978 / 99.00	EUROPEAN INVESTMENT BK D / 7.75 15/3/1988	84	11.49	9.23
600	1977 / 99.00	EUROPEAN INVESTMENT BK D / 8.00 10/9/1987	88 3/8	11.04	9.05
500 / 482.0	1979 / 100.25	EUROPEAN INVESTMENT BANK / 8.00 1/2/1991	83 7/8	10.98	9.54
600	1975 / 100.00	EUROPEAN INVESTMENT BK D / 8.75 23/5/1985	94 1/4	11.11 / 10.85	9.28
	1980 / 100.00	EUROPEAN INVESTMENT BANK / 9.75 23/1/1988	93	[illegible]	[illegible]

28th MAY 1982 WestLB Euro-Deutschmarkbond Quotations and yields

Advertisement

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8% ADELA 76/83	98.00	8.33	13.28	6.84	1. 4.83
7% ADELA 77/82 PP	97.50	7.18	22.71	0.17	due 1. 8.82
7¾% African Dev. Bank 78/86	90.00	8.61	10.97	4.01	1. 8.86
8% African Dev. Bank 78/87	88.00	9.09	11.03	5.42	1.11.87
6½% Airport Paris 69/84 PP (G)	96.25	6.75	9.30	1.24	1. 3.75—84D
7¾% AKZO 76/83 PP	97.25	7.97	10.78	1.01	1. 6.83
6% AKZO 78/84 PP	93.00	6.42	10.02	1.84	1. 4.84
6½% AKZO 79/86 PP	90.25	7.20	9.70	3.76	1. 3.86
9% AKZO 80/90	100.00	9.00	9.00	7.96	15. 5.88—90S
8¾% Alusuisse Int'l. 75/83	99.40	8.30	8.76	1.17	1. 8.81—83D
5½% American Expr. Int'l. 79/87	88.10	6.24	8.72	4.63	15. 1.87
6¾% AMEX Intl. 77/84	95.00	7.11	9.83	1.84	1. 4.84
7¾% ARBED Finance 76/83 PP	95.50	8.12	11.27	1.42	1.11.83
6¾% ARBED Finance 77/87	88.75	7.61	9.89	5.01	1. 6.83—87S
7½% ARBED Finance 79/86 PP	87.50	8.57	11.27	4.34	1.10.86
9% ARBED Finance 80/87 PP	93.00	9.68	10.89	5.01	1. 8.87
6¾% Ardal-Sunndal 77/89 PP	91.00	7.42	9.61	3.91	1. 7.82—89D
10¾% Ardal-Sunndal 81/89	105.40	10.20	9.65	7.09	1. 7.89
7½% Argentine 77/84	82.50	9.09	17.12	2.34	1.10.84
6½% Argentine 78/85	79.75	8.15	16.13	2.76	1. 3.85
6½% Argentina 78/88	71.00	9.15	16.43	4.27	1.11.84—88D
7½% Argentina 79/89	73.00	10.27	13.79	6.82	1. 5.85—89S
7% Asian Dev. Bk. 69/84	99.25	7.05	7.49	2.28	1. 9.75—84S
7¾% Asian Dev. Bk. 76/83 PP	98.25	7.89	9.96	0.84	1. 4.83
7% Asian Dev. Bk. 77/85	95.25	7.35	8.95	2.84	1. 4.85
5½% Asian Dev. Bk. 78/88	84.25	6.53	9.05	5.92	1. 5.88
7¼% Asian Dev. Bk. 79/89	89.50	8.10	9.31	7.17	1. 8.89
8½% Asian Dev. Bk. 80/90	94.50	8.86	9.33	8.42	1.11.90
10% Asian Dev. Bk. 80/90	103.15	9.69	9.41	7.92	1. 5.90
10% Asian Dev. Bk. 81/91	103.00	9.71	9.47	8.84	1. 4.91
10¾% Asian Dev. Bk. 81/89	106.00	10.14	9.56	7.38	15.10.89
9¼% Asian Dev. Bk. 82/92	99.85	9.26	9.27	9.88	15. 4.92
7½% Aumar 73/88 (G)	91.00	8.24	11.39	3.02	1. 2.79—88D
9% Aumar 76/84 (G)	93.75	9.02	9.10	2.21	15. 8.77—84S
7¾% Aumar 77/84 (G)	95.75	8.09	10.09	2.09	1. 7.84
6½% Australia 67/82	99.50	6.53	7.60	0.42	1.11.73—82S
6¾% Australia 68/83	99.50	6.78	7.32	1.17	1. 8.74—83S
6½% Australia 69/84	100.00	6.50	6.50	1.67	1. 2.75—84S
7¼% Australia 69/84	100.50	7.21	6.98	1.40	1.11.75—84S
7% Australia 72/87	99.50	7.04	7.12	4.87	1. 2.78—87S
7¼% Australia 76/83	99.00	7.32	8.60	0.76	1. 3.83
5¼% Australia 77/82 PP	98.25	5.34	10.59	0.34	1.10.82
5¾% Australia 77/89	88.50	6.50	7.84	7.42	1.11.85—89S
6% Australia 78/88	89.75	6.69	8.15	6.26	1. 9.88
8% Australia 80/87 PP	99.50	8.04	8.10	5.51	1.12.87
8⅛% Australia 80/90	99.75	8.15	8.16	7.76	1. 3.90
9⅜% Australia 82/91	103.90	9.02	8.70	8.70	15. 2.91
9⅜% Australia 81/91	103.90	9.02	8.74	9.54	15.12.91
6¾% Austr. Ind. Dev. Corp. 72/87	93.75	7.20	9.37	2.79	1.11.78—87D
6½% Rep. of Austria 69/83	98.50	6.60	8.55	0.84	1. 4.75—83S
9% Rep. of Austria 75/83	99.90	9.01	9.02	0.67	1. 2.83
8¾% Rep. of Austria 75/83 PP	99.25	8.82	9.85	0.84	1. 4.79—83D
8½% Rep. of Austria 75/87	101.25	8.40	8.01	3.02	1. 5.78—87S
7¾% Rep. of Austria 76/86	97.25	7.97	8.60	3.92	2. 5.83—86S
6¾% Rep. of Austria 77/85	97.90	6.89	7.59	2.84	1. 4.83—85S
7% Rep. of Austria 77/87 PP	94.50	7.41	8.54	2.58	1. 7.83—87D
6¾% Rep. of Austria 77/87 PP	93.50	7.22	9.89	2.58	1. 2.83—87D
6% Rep. of Austria 77/87 PP	89.00	6.74	9.66	3.70	1. 9.84—87D
5¾% Rep of Austria 78/88 PP	87.50	6.57	9.62	4.04	15. 7.84—88D
5¾% Rep. of Austria 78/90	82.25	6.99	8.81	8.42	1.11.85—90D
6¾% Rep. of Austria 79/84 PP	95.25	7.09	9.15	2.28	1. 9.84
7% Rep. of Austria 79/87 PP	91.25	7.67	9.16	5.26	1. 9.87
6¼% Rep. of Austria 79/89 PP	88.75	7.04	9.73	4.04	1. 2.84—89D
7¼% Rep. of Austria 79/83 PP	90.25	8.03	9.13	7.26	1. 9.89
8¼% Rep. of Austria 80/86 PP	97.50	8.46	9.01	4.06	20. 5.86
8¼% Rep. of Austria 80/88 PP	96.75	8.53	8.96	6.06	20. 6.88
8¼% Rep. of Austria 80/90 PP	94.75	8.71	9.20	8.06	20. 6.90
7¾% Rep. of Austria 80/90 PP	90.50	8.56	9.45	8.21	1. 8.90
8¼% Rep. of Austria 80/92	97.10	8.50	8.77	7.72	1,10.87—92D
8¼% Rep. of Austria 82/92	97.50	8.59	8.76	9.99	1. 6.92
7% Autopistas Cataluna 78/85 PP	92.50	7.57	10.37	2.63	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	97.00	7.47	9.04	2.09	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	95.50	8.38	10.56	2.24	1.10.77—86D
6¾% Autopistas Espanola 72/87 (G)	91.00	7.42	10.74	2.89	1.10.78—87D
7¼% Autopistas Espanola 79/85 PP (G)	92.00	7.88	10.73	2.76	1. 3.85

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 9.00%

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7¼% Banco N. Desarollo 79/86 (G)	77.90	9.31	15.39	3.76	1. 3.86
8% Banco N. Obras 71/86 (G)	94.00	8.51	9.83	4.42	1.11.77—86S
7¼% Banco N. Obras 77/82 PP (G)	99.05	7.32	11.66	0.21	due 16. 8.82
7% Banco N. Obras 77/82 PP (G)	98.25	7.12	11.71	0.38	due 16.10.82
7% Banco N. Obras 77/84 (G)	89.75	7.80	12.25	2.34	1.10.84
5¾% Bk. America Overs. Fin. 78/90	86.15	6.67	8.07	8.42	1.11.90
6% Bank of Tokyo 79/88 PP	92.75	6.47	8.36	3.67	1. 2.88
7½% Banque Ext. Algerie 77/83	96.60	7.76	10.29	1.38	15.10.81—83D
7¼% Banque Ext. Algerie 78/85	89.00	8.15	12.84	2.38	1.11.83—85D
7¼% Banque Nat. Algerie 78/83	96.25	7.53	12.65	0.76	1. 3.83
10% Banrural 82/90	97.50	11.03	11.24	7.95	15. 5.90
6¾% Barclays Overs. Inv. 79/89	90.00	7.50	8.73	6.92	1. 5.89
8⅜% Barclays Overs. Inv. 82/94	97.50	8.59	8.76	9.91	1. 6.90—94
8% Barlow Rand Inv. 78/82 I PP	99.50	8.04	10.19	0.21	due 15. 8.82
8% Barlow Rand Inv. 78/82 II PP	99.50	8.04	9.53	0.29	due 15. 9.82
7½% BEC Finance 76/83 PP	97.40	7.70	9.47	1.42	1.11.83
8% Beecham Fin. 76/83	99.10	8.07	8.64	1.42	1.11.83
10½% Belgelectric Fin. 81/89	103.25	10.17	9.84	7.01	1. 6.89
11% Belgelectric Fin. 81/91	105.20	10.46	10.09	9.34	1.10.91
9½% Beneficial Overs. 82/89	100.00	9.50	9.49	6.92	2. 5.89
8¾% Bergen 75/85	100.75	8.68	8.29	1.90	1. 5.81—85D
7¼% Bergen 77/89	94.75	7.65	9.04	3.50	1. 2.81—89D
8¼% BFCE 75/83 (G)	99.30	8.31	8.92	1.09	1. 7.81—83S
8¼% BFCE 76/84 (G)	98.60	8.37	9.00	2.08	1. 7.82—84S
7% BFCE 77/87 (G)	92.75	7.55	8.95	4.67	1. 2.83—87S
5¾% BFCE 78/88 (G)	86.60	6.64	8.86	5.63	15. 1.88—88S
7¾% BFCE 80/87 (G)	96.75	8.01	8.61	4.63	15. 1.87
8¼% BFCE 80/95 (G)	94.90	8.56	8.80	12.63	15. 1.88—95S
8½% BNDE 77/87	95.50	8.90	10.45	2.74	1. 4.83(82—87)
6¾% BNDE 78/86	79.05	8.54	14.31	3.76	1. 3.86
9¼% BNDE 80/88	87.90	10.52	12.17	6.09	1. 7.88S
6½% Borregaard 77/84 PP	93.00	6.99	9.97	2.34	1.10.84
~~8½% Bowater Int. Fin. 82/89~~	~~97.25~~	~~8.74~~	~~8.96~~	~~6.89~~	~~1. 6.89~~
8½% Brascan Int'l. 73/88	99.00	8.59	8.69	6.34	1.10.79—88S
6¾% Brazil 72/87	92.00	7.34	8.87	5.34	1.10.78—87S
8¾% Brazil 76/86	99.30	8.81	8.83	4.34	1.10.82(80—86)
7¾% Brazil 77/84	91.50	8.47	13.01	1.92	1. 5.84
6¾% Brazil 78/85	84.00	8.04	14.32	2.67	1. 2.85
7¼% Brazil 79/87	81.25	8.92	12.88	4.59	1. 1.87
8% Brazil 79/87	81.00	9.88	13.29	5.17	1. 8.87
9¼% Brazil 80/88	92.25	10.03	11.09	6.01	1. 6.88
6¾% Brenner 68/83 (G)	98.00	6.89	8.75	1.17	1. 8.74—83S
5¾% Bruxelles-Lambert 77/84 PP	91.75	6.27	9.52	2.54	15.12.84
8½% Burmah Oil 70/85	98.25	8.65	9.77	1.86	1.11.78—85D
4¾% Canada 78/83	97.00	4.90	8.07	0.97	20. 5.83
5% Canada 78/84	94.75	5.28	8.01	1.95	10. 5.84
8½% Canada 82/89	100.50	8.46	8.40	6.91	30. 4.89
6% Carlsberg-Tuborg 77/87 PP	86.50	6.94	9.22	5.51	1.12.85—87D
8½% C.C.C.E. 75/85 (G)	99.00	8.59	9.09	1.81	1. 4.81—85D
8½% C.C.C.E. 76/86 (G)	99.25	8.56	8.83	2.54	1. 7.83—86D
7% C.C.C.E. 77/89 (G)	92.25	7.59	8.53	6.84	1. 4.81—89D
5½% CECA 65/83	97.50	5.64	8.88	0.84	1. 4.71—83D
7½% CECA 71/86	98.75	7.59	8.09	2.37	1. 5.77—86D
6½% CECA 72/87	93.25	6.97	9.18	3.00	1. 7.78—87D
7% CECA 72/88	94.50	7.41	9.17	2.96	2. 1.78—88D
6½% CECA 73/88	92.75	7.01	9.19	3.21	1. 4.79—88D
7¾% CECA 73/88	99.00	7.83	8.08	3.27	1.11.79—88D
8% CECA 75/82	99.65	8.03	8.53	0.54	15.12.82
8½% CECA 75/85	100.25	8.48	8.32	1.81	1. 4.78—85D
7¾% CECA 76/83	98.65	7.86	8.80	1.34	1.10.83
7¾% CECA 76/86	98.00	7.91	8.73	2.26	1.10.82—86D
6% CECA 76/88	87.25	6.88	8.68	6.42	1.11.88
5¼% CECA 78/90	84.15	6.24	8.95	5.63	1. 4.85—90D
6% CECA 78/90 PP	86.75	6.92	9.82	4.43	1. 8.83—90D
7% CECA 79/91	90.90	7.70	8.97	6.21	15. 4.84—91D
9½% CECA 80/88	102.25	9.29	8.89	4.95	1.12.85—88
7⅞% CECA 80/90	94.75	8.31	8.84	7.59	2. 1.90
7⅞% CECA 80/92	95.00	8.29	8.90	6.54	2. 9.85—92D
10% CECA 81/91	105.00	9.52	8.96	6.68	3. 3.87—91D
9¾% CECA 82/87	103.20	9.45	8.85	4.64	20. 1.87
9¾% CECA 82/94	103.00	9.47	9.16	7.91	20. 1.87—94
7¾% C.E.D. South Africa 78/82 PP (G)	99.50	7.79	11.12	0.14	due 20. 7.82
7% CESP 77/87 (G)	92.75	7.55	8.72	5.42	1.11.83(82—87)
6% Chase Manhattan Ov. 78/93	88.25	6.80	7.58	11.26	1. 9.84—93S
7% Chrysler 69/84	93.75	7.47	10.67	2.09	1. 7.75—84S
6½% CIBA-GEIGY ex. W. 75/85 PP	97.50	6.92	7.61	3.34	1.10.85
6½% C.N. Autoroutes 69/84 (G)	96.25	6.75	9.80	1.24	1. 3.75—84D
6½% C.N. Energie 69/84 PP (G)	96.40	6.74	9.87	1.16	1. 2.75—84D
6½% C.N. Telecom. 68/83 (G)	97.00	6.70	8.78	1.42	1.11.74—83S
8½% C.N. Telecom. 70/85 (G)	99.50	8.54	8.86	3.34	1.10.78—85S
7¼% C.N. Telecom. 76/83 (G)	98.75	7.34	8.75	0.88	16. 4.83
6¼% C.N. Telecom. 79/87 (G)	90.75	6.89	8.69	4.76	1. 3.87
7⅞% C.N. Telecom. 79/87 PP (G)	94.00	8.38	9.28	5.55	16.12.87
8¾% Credit Foncier 82/92 (G)	98.75	8.86	8.94	9.91	1. 5.92
7¾% Comalco 71/86	99.00	7.83	8.21	4.01	1. 6.77—86S
7% Com. Fed. Electr. 77/82 PP	98.75	7.09	11.92	0.26	due 1. 8.82
8% Com. Fed. Electr. 77/84	94.10	8.50	11.46	2.01	1. 6.84
7¼% Com. Fed. Electr. 77/85	92.00	7.88	12.28	1.85	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	84.75	7.96	12.05	3.73	1. 4.84—88D
5% Commerzbank Int'l. 79/84 PP	94.50	5.29	8.82	1.59	1. 1.84
4½% Comp. F. Deutsche Bk. 78/83 PP	96.60	4.53	8.34	0.92	1. 5.83
5% Comp. F. Deutsche Bk. 78/84 PP	95.00	5.26	8.46	1.59	1. 1.84
8½% Comp. Franc. Petr. 75/85	98.90	8.59	8.93	2.92	1. 5.80—85S
6½% Comp. Franc. Petr. 77/84	94.50	6.88	9.51	2.09	1. 7.84
8½% Consorzio 70/91 (G)	95.25	8.92	16.13	4.28	1. 1.77—91D
5¾% Copenhagen 64/84	96.00	5.99	7.51	2.54	15.12.70—84D
7% Copenhagen 68/83	99.75	7.02	7.41	0.92	2. 5.72—83S
6¾% Copenhagen 69/84	98.70	6.77	7.03	2.01	1. 6.75—84S
7¾% Copenhagen 71/86	99.75	7.77	7.97	3.84	1. 4.77—86S
7½% Copenhagen 76/86	98.35	7.63	7.93	4.51	1.12.81—86S
6% Copenhagen 76/90	88.25	6.96	8.33	8.42	1.11.81—90S
7% Council of Europe 73/88	93.25	7.51	9.38	3.46	1. 7.79—88D
8½% Council of Europe 76/83	99.50	8.54	9.17	0.67	1. 2.79—83D
7¾% Council of Europe 76/83	99.00	7.83	8.90	0.92	1. 5.80—83D
7% Council of Europe 76/83	97.50	7.18	8.79	1.51	1.12.83
6¼% Council of Europe 77/87	91.50	6.83	9.31	3.33	1.11.83—87D
6¼% Council of Europe 78/86 PP	87.75	7.12	10.04	4.09	1. 7.86
6¼% Council of Europe 78/88	90.50	6.77	9.14	3.88	16. 5.84—88D
6¼% Council of Europe 78/88 II	89.25	7.00	9.36	4.33	1.11.84—88D
6¼% Council of Europe 78/88 III	89.25	7.00	9.36	4.33	1.11.84—88D
7¼% Council of Europe 79/89	93.20	7.78	9.49	3.74	1. 5.83—89D
7½% Council of Europe 79/89	92.00	8.15	9.49	5.25	1.10.85—89D
9¾% Council of Europe 80/90	102.25	9.54	9.25	6.42	1.12.86—90
10% Council of Europe 81/91	103.00	9.71	9.37	6.79	16. 4.87—91D
10¼% Council of Europe 81/91	104.00	9.86	9.44	7.29	16.10.87—91
10% Council of Europe 82/92	102.75	9.73	9.46	7.62	16. 2.88—92D
6½% Courtaulds Int'l. 72/87	94.50	6.88	7.85	5.09	1. 7.80—87S
6% Credit National 77/87 (G)	88.00	6.82	8.91	5.34	1.10.83—87S
5¾% Credit National 78/83 PP (G)	95.50	6.02	9.68	1.26	1. 9.83
6½% Credit National 79/89 (G)	89.25	7.28	9.38	4.79	16. 4.85—89D
9% CVRD 76/84	99.35	9.06	9.38	1.67	1. 2.81(82-84)
8½% CVRD 76/86	97.50	8.72	9.18	4.51	1.12.82(83-86)
8% Daimler-Benz 70/85	100.80	7.94	7.87	1.88	1.11.76—85D
5½% Daishowa Paper 78/83 PP	95.00	5.79	10.20	1.17	1. 8.83
6% Danish Export 77/82 PP	98.15	6.11	10.52	0.42	1.11.78—82D
5¾% Danish Export 78/82 PP	95.75	6.01	10.42	1.01	1. 6.79—83D
8¼% Den Danske Bk. 76/86	96.00	8.59	9.37	4.42	1.11.82—86S
7% Denmark 69/84	97.00	7.22	8.72	2.17	1. 8.75—84S
6¾% Denmark 72/87	92.50	7.30	8.50	5.51	1.12.78—87S
8¼% Denmark 74/89	89.00	9.34	9.44	6.76	1. 3.80—89S
8% Denmark 76/82	99.55	8.04	9.58	0.25	due 1. 9.82
6¾% Denmark 77/83	97.75	6.91	9.29	0.96	16. 5.83
7¼% Denmark 77/87	92.00	7.88	9.33	4.96	16. 5.87
5¼% Denmark 78/84	95.00	5.53	8.55	1.67	1. 2.84
6% Denmark 78/88	85.15	7.05	9.49	5.67	1. 2.88
5¾% Denmark 79/85	91.75	6.27	9.36	2.67	1. 2.85
6½% Denmark 79/89	85.20	7.62	9.58	6.67	1. 2.89
7⅞% Denmark 80/86	95.75	8.22	9.27	3.67	1. 2.86
8¼% Denmark 80/92	95.00	8.68	9.03	9.67	1. 2.92P
9¼% Denmark 80/90 PP	100.25	9.48	9.45	7.92	1. 5.90
10% Denmark 82/88	101.60	9.84	9.61	5.76	1. 3.88
10⅛% Denmark 82/92	102.00	9.93	9.78	9.76	1. 3.92
6¾% Den Norske Ind. 77/89 (G)	93.00	7.26	9.00	3.82	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	89.50	6.70	9.12	4.19	1. 5.83—90D

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
6½% District Paris 69/84 (G)	96.25	6.75	8.77	1.84	1. 4.75—84D
10⅜% EEC 81/93	103.50	9.78	9.45	6.50	18.10.93
7⅞% EEC 79/94	94.50	8.35	8.93	7.57	1.11.85—94D
7¼% EEC 76/83	98.75	7.34	8.81	0.84	1. 4.83
9¾% EEC 82/94	103.10	9.46	9.19	8.16	18. 4.87—94D
8¼% Electr. de France 80/88 PP (G)	95.25	8.66	9.24	6.42	1.11.88
7½% Eletrobras 78/86 (G)	94.00	7.45	8.45	5.26	1. 9.83(83—87)
6¾% Eletrobras 78/86 (G)	80.25	8.41	13.68	3.84	1. 4.86
7% Eletrobras 79/87 (G)	79.75	8.78	13.03	4.67	1. 2.87
5¼% Elf Aquitaine 78/88	85.25	6.16	9.09	4.93	15. 5.86—88D
5¾% Elkem 78/88 PP	86.00	6.69	10.28	3.91	1. 6.84—88D
6¾% Ericsson 72/87	98.70	6.84	7.07	4.76	1. 3.78—87S
6½% ESCOM 68/83 (G)	96.50	6.74	11.06	0.83	1.10.74—83D
8½% ESCOM 70/85 (G)	98.25	8.65	9.57	1.81	1. 4.76—85D
8% ESCOM 71/86 (G)	94.40	8.47	11.23	2.19	1. 3.77—86D
6¼% ESCOM 72/87 (G)	89.00	7.02	10.50	3.16	1. 9.78—87D
7% ESCOM 73/88 (G)	90.75	7.71	10.47	3.28	1. 5.79—88D
8% ESCOM 78/84 PP (G)	95.75	8.36	10.02	2.42	1.11.84
8¾% ESCOM 79/84 I PP (G)	97.25	9.00	10.19	2.17	1. 8.84
8¾% ESCOM 79/84 II PP (G)	97.50	8.97	10.06	2.17	1. 8.84
9% ESCOM 80/87 PP (G)	97.50	9.23	9.82	3.83	1. 8.84—87D
9¼% ESCOM 80/87	96.50	9.59	10.09	5.42	1.11.87
9½% ESCOM 82/90 (G)	98.25	9.67	9.96	4.99	1. 6.90
7¾% ESTEL 73/88	92.60	8.37	9.37	6.17	1. 8.79—88S
8½% ESTEL 75/85	95.75	8.88	10.21	3.01	1. 6.81—85S
8½% ESTEL 76/83 PP	95.00	8.95	15.86	0.76	1. 3.83
6½% ESTEL 77/84 PP	83.00	7.83	15.37	2.42	1.11.84
6¼% ESTEL 77/84 PP	90.00	6.94	14.22	1.46	1.12.82—84D
6¼% ESTEL 78/85 PP	80.00	7.81	14.13	3.34	1.10.85
7¾% ESTEL 79/86 PP	82.50	9.39	13.48	4.17	1. 8.86
8⅛% ESTEL 79/86 PP	79.00	10.28	14.74	4.54	15.12.86
8⅞% ESTEL 80/87 PP	80.00	11.09	14.76	5.04	15. 6.87
5¾% Euratom 77/87	86.50	6.65	8.99	5.42	1.11.87
6¼% Euratom 79/81 PP	88.25	7.08	9.30	4.86	8. 2.84—91D
6½% Eurofima 67/83	98.50	6.60	7.76	1.26	1. 9.71—83D
6¼% Eurofima 72/87	95.00	6.58	8.42	2.64	1. 9.76—87D
6½% Eurofima 73/88	92.65	7.02	9.30	3.13	1. 3.77—88D
8% Eurofima 73/88	99.00	8.08	8.34	3.18	1.10.77—88D
8% Eurofima 76/83	99.25	8.06	9.08	0.67	1. 2.83
6¾% Eurofima 77/87 PP	93.75	7.20	9.57	2.58	1. 2.83—87D
5½% Eurofima 78/88	91.50	6.01	8.29	3.63	15. 2.84—88D
5½% Eurofima 78/88 PP	88.50	6.21	8.46	4.87	1.11.85—88D
6½% Eurofima 79/89	90.50	7.18	9.11	4.59	1. 2.85—89D
7% Eurofima 79/84 PP	96.25	7.27	8.81	2.34	1.10.84
7½% Eurofima 79/87 PP	92.25	7.99	9.26	5.34	1.10.87
8¼% Eurofima 80/87 PP	98.00	8.42	8.71	5.42	1.11.87
7⅞% Eurofima 80/88 PP	94.00	8.38	9.27	5.63	15. 1.88
10¼% Eurofima 81/91	105.50	9.72	9.33	9.42	1.11.91
9% Eurofima 82/92	100.60	8.95	8.90	9.88	15. 4.92
6% Europ. Inv. Bank 69/84	96.50	6.22	9.23	1.24	1. 3.75—84D
7% Europ. Inv. Bank 69/84	98.50	7.11	8.32	1.40	1.11.75—84D
7½% Europ. Inv. Bank 71/86	96.85	7.74	9.31	2.20	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	97.35	7.96	9.06	2.25	1.10.77—86D
6½% Europ. Inv. Bank 72/87	93.55	6.95	9.32	2.67	1. 3.78—87D
6% Europ. Inv. Bank 72/87	92.00	6.52	8.89	3.17	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	95.25	7.09	7.81	5.67	1. 2.79—88S
7% Europ. Inv. Bank 73/88	95.10	7.36	8.04	6.09	1. 7.79—88S
9½% Europ. Inv. Bank 75/83	100.60	9.44	8.25	0.59	1. 1.81—83D
8% Europ. Inv. Bank 76/83	99.75	8.02	8.22	1.09	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83 PP	97.75	7.93	9.55	1.34	1.10.83
6¾% Europ. Inv. Bank 76/84	97.50	6.92	8.57	1.48	1.12.81—84D
6% Europ. Inv. Bank 77/89	90.25	6.65	9.00	4.00	1. 8.82—89D
6% Europ. Inv. Bank 78/81 PP	84.50	7.10	9.42	6.17	1. 8.88
6% Europ. Inv. Bank 78/88 II PP	84.00	7.14	9.40	6.46	15.11.88
5¼% Europ. Inv. Bank 78/90	84.70	6.20	8.85	5.55	1. 3.85—90D
6% Europ. Inv. Bank 78/90	84.50	7.10	8.88	8.34	1.10.90P
7½% Europ. Inv. Bank 79/89	93.65	8.01	8.75	7.01	1. 6.89
7⅝% Europ. Inv. Bank 79/89 PP	92.00	8.29	9.19	7.16	1. 8.89
6½% Europ. Inv. Bank 79/91	86.15	7.54	8.86	8.59	1. 1.91P
9¼% Europ. Inv. Bank 80/86	102.50	9.02	8.47	3.92	1. 5.86
7⅞% Europ. Inv. Bank 80/90	94.25	8.36	8.89	8.17	1. 8.90
8½% Europ. Inv. Bank 80/90	97.90	8.68	8.85	8.38	15.10.90
9% Europ. Inv. Bank 80/87 PP	100.00	9.00	8.98	5.46	15.11.87
9½% Europ. Inv. Bank 80/90	103.25	9.20	8.91	7.92	1. 5.90
9½% Europ. Inv. Bank 80/90	102.75	9.25	9.01	8.51	1.12.90
10⅛% Europ. Inv. Bank 81/91	105.25	9.62	9.25	9.42	1.11.91
10½% Europ. Inv. Bank 81/91	105.55	9.95	9.53	8.84	1. 4.91
10½% Europ. Inv. Bank 81/91 II	105.35	9.97	9.59	9.21	15. 8.91
10¾% Europ. Inv. Bank 81/91	107.00	10.05	9.56	9.04	15. 6.91
10% Europ. Inv. Bank 82/89	102.85	9.72	9.39	6.67	1. 2.89
10% Europ. Inv. Bank 82/92	104.10	9.61	9.32	9.67	1. 2.92
8⅜% Europ. Inv. Bank 82/92	98.00	8.55	8.68	9.95	15. 5.92
8¼% Europistas 71/86 (G)	96.00	8.59	10.67	2.11	1. 2.77—86D
8% Europistas 72/87 (G)	95.00	8.42	10.69	2.49	1. 1.78—87D
10½% Ferrovie 82/87	103.75	10.12	9.48	4.82	1. 4.87
7% Finland 68/83	98.50	7.11	8.77	1.01	1. 6.72—83D
6¾% Finland 68/83	97.65	6.91	9.50	0.99	1.12.72—83D
7% Finland 69/84	97.00	7.22	9.53	1.41	2. 5.73—84D
7½% Finland 69/84	98.00	7.65	9.35	1.31	1.10.73—84D
7% Finland 72/87	98.25	7.12	7.57	4.84	1. 4.78—87S
8% Finland 76/84	99.75	8.02	8.14	2.01	1. 6.81—84S
5½% Finland 78/83 PP	97.00	5.67	10.25	0.67	1. 2.83
6% Finland 78/83	95.25	6.30	9.48	1.51	1.12.83
5¾% Finland 78/86	89.20	6.45	9.34	3.67	1. 2.86
8% Finland 79/86	95.90	8.34	9.12	4.55	16.12.86
10% Finland 81/89	103.40	9.67	9.31	6.92	1. 5.89
10½% Finland 81/86	103.50	10.14	9.46	4.42	1.11.86
9¾% Finland 82/89	101.50	9.61	9.43	6.82	1. 4.89
8½% Finn. Industriebank 80/90 (G)	95.75	8.88	9.64	4.68	1.11.83—90D
8% Finn. Kommunal 71/83 (G)	98.75	8.10	9.65	0.92	2. 5.76—83D
10% Finn. Kommunal 82/92 (G)	102.75	9.73	9.45	7.50	2. 1.88—92
8¼% Forsmarks 75/83 (G)	99.10	8.32	9.13	1.09	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	87.25	6.59	9.84	3.89	16. 1.83—90D
8⅞% Forsmarks 80/87 (G)	98.00	9.06	9.42	4.39	1.11.85—87D
7½% Francetel 76/83 (G)	97.85	7.66	9.17	1.38	16.10.83
6¾% Francetel 77/84 PP (G)	95.00	7.11	9.83	1.84	1. 4.84
9⅝% Gaz de France 82/92 (G)	101.25	9.51	9.40	8.80	1. 4.90—92D
8½% Gen. Zbk. Vienna 76/83 PP	98.75	8.61	10.37	0.67	1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	89.00	6.74	9.93	3.41	1.12.83—87D
7¼% Giroz. Vienna 76/83	97.85	7.41	8.87	1.42	1.11.83
5½% Giroz. Vienna 77/82	98.50	5.58	10.03	0.34	1.10.82

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Westdeutsche Landesbank Girozentrale
Leading Marketmakers in Eurobonds

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
5¾% Giroz. Vienna 78/86 PP	87.75	6.55	9.39	4.34	1.10.86
6⅞% Giroz. Vienna 79/84 PP	95.25	7.22	9.32	2.21	16. 8.84
8⅞% Giroz. Vienna 80/87 PP	98.75	8.99	9.20	5.01	1. 6.87
10¾% Giroz. Vienna 81/91	106.75	10.07	9.60	9.09	1. 7.91
6% G.I.S. 78/83 PP	97.40	6.16	9.86	0.76	1. 3.82—83D
7% Grand Metrop. Fin. 77/84	97.25	7.20	8.42	2.17	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	98.75	8.10	9.44	0.92	2. 5.83
6¾% Hamersley Iron 72/87	93.50	7.22	8.36	5.09	1. 7.78—87S
8¾% Hazama-Gumi 80/85 PP	98.50	8.88	9.33	3.05	16. 6.85
7% Helsinki 68/83	98.25	7.12	8.90	1.09	1. 7.72—83S
8⅞% Helsinki 82/92	97.50	9.10	9.27	9.99	1. 6.87—92S
9% Hidroeléctr. Ibécica 80/90	96.75	9.30	9.84	4.98	1. 8.84—90D
5¾% Hitachi Shipbldg. 78/83	95.00	6.05	9.32	1.55	16.12.83
8⅜% Honeywell Bull 80/90	95.30	8.79	9.21	8.17	1. 9.90P
8¾% IAKW. Vienna 75/85 (G)	100.00	8.75	8.73	1.89	1. 5.80—85D
10% IBM 80/86 PP	103.25	9.69	8.94	3.84	1. 4.86
7¼% Iceland 69/84	98.50	7.36	8.27	1.92	1. 5.73—84S
7¾% Iceland 77/87	94.25	8.22	9.27	4.84	1. 4.80—87S
9¼% Iceland 82/92	98.50	9.39	9.49	9.99	1. 6.92
6½% ICI Int'l. 72/92	88.75	7.32	8.21	9.76	1. 3.78—92S
7½% ICI Int'l. 76/86	96.35	7.78	8.73	3.48	1.12.84—86D
6¾% ICI Int'l. 77/87	94.10	7.17	8.84	3.37	1. 5.84—87D
8% ICIPU 71/91 (G)	92.75	8.63	10.39	4.26	1. 1.77—91D
8% Imatran Voima 72/87 (G)	97.95	8.17	8.73	4.59	1. 1.78—87S
7% Indonesia 78/84	92.00	7.61	11.02	2.34	1.10.84
8% Ind. Dev. C. South-Afr. 78/83 PP (G)	97.75	8.18	10.26	1.09	1. 7.83
5% Industr. Bk. Japan 78/84	94.50	5.29	8.82	1.59	1. 1.84
7⅝% Ind. Fund of Finnland 79/87 PP	92.00	8.02	10.02	3.74	16. 9.84—87D
7½% Ind. Min. Dev. Iran 73/85	86.90	8.63	13.17	2.92	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	75.25	10.30	15.04	5.09	1. 7.83—87S
7¾% Ind. Min. Dev. Iran 78/84	80.00	9.96	18.65	2.30	16. 9.84
8% Ind. Mtgebk. Finl. 71/86 (G)	96.25	8.31	10.02	2.41	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	94.00	7.45	9.55	3.00	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.50	6.78	7.36	1.09	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	99.50	7.04	7.38	2.17	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	99.65	8.53	8.80	3.26	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	97.50	6.92	7.37	5.01	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	96.25	7.01	7.61	5.42	1.11.78—87S
8% Int. Am. Dev. Bank 76/83 PP	98.75	8.10	9.78	0.71	16. 2.83
8¼% Int. Am. Dev. Bank 76/83 PP	98.50	8.38	9.74	1.09	1. 7.83
7% Int. Am. Dev. Bank 77/87	95.50	7.33	8.20	4.59	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	87.90	7.11	9.09	5.59	1. 1.88
7¾% Int. Am. Dev. Bank 79/86	96.50	8.03	8.80	4.09	1. 7.86
8% Int. Am. Dev. Bank 79/89 PP	93.75	8.53	9.23	7.13	15. 7.89
8% Int. Am. Dev. Bank 80/88	95.75	8.36	8.97	5.67	1. 2.88
10% Int. Am. Dev. Bank 81/91	103.00	9.71	9.47	8.76	1. 3.91
10¼% Int. Am. Dev. Bank 81/91	105.20	9.74	9.37	9.46	15.11.91
9% Int. Am. Dev. Bank 82/92	99.90	9.01	9.01	9.88	15. 4.92
6¾% Int'l. Com'l. Bank 73/83	97.75	6.91	9.20	1.01	1. 6.79—83D
7½% Ireland 79/87 PP	91.40	8.21	9.78	4.92	1. 5.87
8⅛% Ireland 80/88	94.75	8.58	9.35	5.59	1. 1.88
10⅛% Ireland 81/86	102.15	9.91	9.49	4.54	15.12.86
7¾% ISCOR 71/86 (G)	94.00	8.24	9.82	4.01	1. 6.77—86D
7% ISCOR 72/87 (G)	91.10	7.68	11.13	2.73	1. 4.78—87D
7% ISCOR 73/88 (G)	89.50	7.82	11.16	3.10	1. 3.79—88D
8½% ISCOR 73/88 (G)	97.00	8.76	9.59	3.24	1.11.79—88D
8¼% ISCOR 78/84 PP (G)	95.00	8.68	10.69	2.38	16.10.84
7% Japan 68/83	99.00	7.07	8.54	0.76	1. 3.72—83S
8⅛% Japan Air Lines 80/87 (G)	99.85	8.14	8.14	5.46	16.11.87
7¼% Japan Dev. Bank 76/83 (G)	98.65	7.35	8.94	0.84	1. 4.83
7⅝% Japan Dev. Bank 80/87 (G)	97.25	7.84	8.28	5.26	1. 9.87
10¼% Japan Synthetic 80/85 PP	101.25	10.12	9.71	2.86	15. 4.85
8% Johannesburg 71/86 (G)	94.60	8.46	10.91	2.15	1. 9.77—86D
6¾% Johannesburg 72/87 (G)	80.25	6.93	10.70	2.61	1. 9.78—87D
7¼% Jydsk Telefon 69/84	96.00	7.55	9.44	2.28	15. 9.75—84S
6¾% Jydsk Telefon 72/87	95.00	7.11	8.04	4.76	1. 3.78—87D
7¼% Jydsk Telefon 73/88	96.00	7.55	8.14	5.67	1. 2.79—88D
9% Jydsk Telefon 75/82 PP	99.40	9.05	15.65	0.09	due 1. 7.82
8½% Jydsk Telefon 80/90	95.00	8.95	9.43	7.67	1. 2.90
6¾% Kansai Electric 69/84	97.75	6.91	8.31	1.76	1. 3.75—84S
7¾% Kansai Electric 71/86	99.75	7.77	7.82	3.92	1. 5.77—86S
6¾% KELAG 73/88	93.50	7.22	8.17	5.92	1. 5.79—88S
6¾% KHD Finance 72/87	95.50	7.07	7.98	4.92	2. 5.78—87S
7⅝% Kjobenhavns H. Bank 76/83 PP	98.25	7.66	10.12	1.51	1.12.83
7½% Kjobenhavns Tel. 72/87	95.25	7.87	8.97	4.59	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	93.00	7.53	8.81	4.92	1. 6.78—87S
6½% Kjobenhavns Tel. 73/88	88.75	7.32	9.06	5.84	1. 4.79—88S
5% KLM Royal Dutch Air. 78/85 PP	91.75	5.45	9.99	1.89	1. 5.78—85D
7% Kobe 68/83 (G)	99.75	7.02	7.39	1.01	1. 6.72—83S
6¾% Kobe 69/84 (G)	99.50	6.78	7.15	1.92	1. 5.73—84S
7¾% Kobe 71/86 (G)	100.25	7.73	7.60	2.29	1. 2.77—86S
6¾% Kobe 72/87 (G)	97.25	6.94	7.43	4.92	1. 5.78—87S
7½% Kobe 76/83 (G)	98.85	7.59	8.75	1.01	1. 6.83
6¾% Kobe 77/87 (G)	93.00	6.99	8.28	5.01	1. 6.87
5¾% Kobe 78/86	91.00	6.32	8.44	4.09	1. 7.86

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
7⅛% Kobe 79/89 (G)	94.00	7.58	8.23	7.34	1.10.89
8% Kobe 80/90 (G)	98.90	8.09	8.19	8.09	1. 7.90
7¾% Kommunl. Inst. 76/83	98.60	7.86	9.50	0.84	1. 4.81—83D
8% Kommunl. Inst. 76/84	97.50	8.21	9.18	2.39	15.10.77—84D
7¼% Korea Dev. Bank 77/84 (G)	92.35	7.85	10.85	2.51	1.12.84
5¼% Kubota Int'l. 77/82 PP	97.75	5.37	9.90	0.51	1.12.81—82D
5¾% Kvaerner Ind. 78/88 PP	87.50	6.57	9.97	3.66	1. 3.84—88D
6¾% Light-Servicos 78/86 (G)	80.00	8.44	13.66	3.92	1. 5.86
8½% Light-Servicos 80/90 (G)	80.75	10.53	13.67	5.50	16. 1.86—90D
9¾% Lonrho Intern. 80/87	98.50	9.90	10.14	4.92	2. 5.87
6½% Lufthansa Int'l. 79/86 PP	92.00	7.07	9.09	3.76	1. 3.86
7% Malaysia 72/84	98.75	7.09	7.92	1.50	1. 6.75—84D
6½% Malaysia 77/85	89.30	7.28	10.53	3.26	1. 9.85
5¾% Malmoe 75/84	102.00	9.07	7.33	1.16	1. 2.81—84D
8¼% Malmoe 76/83	96.25	6.75	8.52	2.09	1. 3.80—83D
6½% Manitoba 77/84	98.70	8.36	10.02	0.76	1. 7.84
6¾% Manit. Hydro El. 72/87	93.75	7.20	8.33	5.01	1. 6.78—87S
6¼% Megal Fin. Comp. 78/90	82.50	7.58	9.59	7.59	2. 1.85—90S
7% Megal Fin. Comp. 79/89	87.50	8.00	9.56	6.84	1. 4.87—89P
7% MEPC 73/88	91.25	7.67	10.27	3.29	1. 5.79—88D
7¼% Mexico 73/88	90.75	7.99	9.44	5.59	1. 1.79—88S
9% Mexico 75/82	99.85	9.01	10.35	0.09	due 1. 7.82
8% Mexico 76/83	95.75	8.36	12.77	1.01	1. 6.83
7¾% Mexico 77/84	94.25	8.22	11.11	2.01	1. 6.84
6% Mexico 78/85	84.75	7.08	12.71	2.84	1. 4.85
11% Mexico 81/88	101.25	10.86	10.69	6.55	16.12.88
8¾% Michelin Finance 80/87 PP	97.50	8.97	9.33	5.46	16.11.87
8½% Midland Int. Fin. 80/90	99.00	8.59	8.66	8.38	15.10.90
6½% Mitsubishi Chemical 79/84	95.50	6.81	9.51	1.92	30. 4.84
5¾% Mitsubishi Petro 78/83	95.60	6.01	9.59	1.26	1. 9.83
9% MODO 75/83	99.00	9.09	10.10	1.01	1. 6.80—83D
7% Montreal 69/89	96.00	7.29	6.29	3.68	1. 4.70—89D
6% Montreal 72/92	86.50	6.94	9.63	4.80	1. 9.73—92D
6¾% Montreal 73/93	87.75	7.69	8.51	11.01	1. 6.74—93S
8½% Montreal 76/86	99.00	8.59	8.79	4.09	1. 7.77—86S
7% Montreal 77/87	92.90	7.53	8.77	5.13	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	98.00	7.65	8.60	2.42	1.11.75—84S
7% Mortg. Denmark 73/88 (G)	90.50	7.73	9.09	5.09	1. 7.79—88S
8½% Mortg. Denmark 80/90 (G)	94.25	9.02	9.56	8.09	1. 7.90
10½% Mortg. Denmark 81/91	104.00	10.10	9.81	9.42	1.11.91
6¾% Mortg. Bk. Finl. 69/84 (G)	96.50	6.99	9.04	1.84	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	96.50	9.07	11.32	1.51	1,12.83
7% Nafi. Mexico 77/82 PP (G)	98.85	7.08	11.51	0.26	due 1. 9.82
8¾% Nafi. Mexico 77/84 (G)	96.50	9.07	10.99	1.76	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	96.50	9.07	10.99	1.76	1. 3.84
11% Nafi. Mexico 82/90 (G)	108.75	10.11	9.34	7.74	1. 3.90
6½% Nat. B. Hungary 77/85	84.25	7.72	12.39	3.42	1.11.85
7% Nat. Nederl. Fin. Maat. 79/86 PP	92.75	7.55	9.08	4.34	1.10.86
8% Nat'l. Westm. Bk. 73/88	98.30	8.14	8.34	6.34	1.10.79—88S
11% Nat'l. Westm. Bk. 81/91	108.75	10.11	9.53	9.34	1.10.91
9⅞% Nat'l. Westm. Bk. 82/92	104.50	9.45	9.13	9.59	1. 1.92
8% Nederl. Gasunie 79/86	99.65	8.03	8.07	4.51	1.12.83—86
8½% Nederl. Gasunie 80/87	100.75	8.44	8.20	3.21	1. 3.84—87S
6¾% New Brunswick 72/87	94.75	7.12	7.97	5.42	1.11.78—87S
7¼% Newfoundland 69/84	98.00	7.40	8.44	2.17	1. 8.75—84S
8% Newfoundland 71/86	99.25	8.06	8.21	4.17	1. 8.77—86S
6¾% Newfoundland 72/87	94.50	7.14	8.03	5.42	1.11.78—87S
6½% Newfoundland 73/88	94.50	6.88	7.70	5.84	1. 4.81—88S
6¾% New Zealand 69/84	98.75	6.84	8.04	1.16	1. 2.75—84D
7½% New Zealand 71/86	98.50	7.61	8.37	2.37	1. 5.77—86D
7% New Zealand 72/87	96.60	7.25	8.49	2.59	1. 2.78—87D
7½% New Zealand 76/83	98.90	7.58	8.99	0.76	1. 3.83
7¾% New Zealand 76/86	98.00	7.91	8.69	2.34	1.11.82—86D
6¼% New Zealand 77/84	95.75	6.53	8.74	1.92	1. 5.84
5¼% New Zealand 78/86	90.50	5.80	8.28	3.76	1. 3.86
6% New Zealand 79/86 PP	91.40	6.56	8.82	3.67	1. 2.86
6¼% New Zealand 79/87	92.00	6.79	8.41	4.59	1. 1.87
7⅛% New Zealand 79/87	95.00	7.50	8.32	5.29	15. 9.87
8¼% New Zealand 79/84 PP	99.00	8.33	8.67	2.51	1.12.84
7⅞% New Zealand 80/88	98.25	8.02	8.24	6.13	15. 7.88
9¾% New Zealand 81/89	104.20	9.36	8.94	7.51	1.12.89
6¾% Nippon Housing Loan 79/84 PP	94.50	7.14	9.86	1.95	16. 5.84
6½% Nippon Kokan 79/84	96.10	6.76	8.87	1.84	1. 4.84
5¾% Nippon Steel 78/85	91.75	6.27	8.75	3.26	1. 9.85
7¾% Nippon T + T 76/83 (G)	99.00	7.83	8.51	1.34	1.10.83
5½% Nippon T + T 79/87 (G)	89.80	6.12	8.20	4.67	1. 2.87
5¾% Norcem 78/85	90.75	6.34	9.71	2.76	1. 3.85
7½% Norcem 79/86 PP	93.00	8.06	8.56	4.26	1. 9.86
5% Norddt. LB Int'l. 78/84 PP	94.75	5.28	8.47	1.67	1. 2.84
6¼% Nordic Inv. Bank 79/86	92.00	6.79	8.93	3.59	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	99.75	8.52	8.76	3.34	1.10.76—85S
7% Norges Komm. Bank 77/89 (G)	95.15	7.36	7.94	6.84	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	89.50	6.70	7.92	7.38	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	89.55	6.70	7.89	7.51	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	89.00	6.74	7.87	8.17	1. 8.81—90S
6¼% Norges Komm. Bank 79/89 PP (G)	90.35	6.92	8.19	6.59	1. 1.84—89S
7⅜% Norges Komm. Bank 79/89 PP (G)	95.75	7.70	8.17	7.21	16. 8.84—89S
7¾% Norges Komm. Bank 79/91 (G)	95.30	8.13	8.51	9.09	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	98.00	8.42	8.50	12.55	16.12.85—94S
8½% Norpipe 76/84	100.10	8.48	8.35	1.26	1. 2.80—84S
8% Norpipe 76/88	98.00	8.16	8.44	6.01	1. 6.83—88S
6% Norpipe 77/89	86.00	6.98	8.62	7.42	1.11.84—89S
7¼% Norsea Gas 76/88	93.75	7.73	8.53	6.51	1.12.83—88S
7% Norsea Gas 77/89	92.00	7.61	8.55	7.09	1. 7.84—89S
9% Norsk Hydro 75/87	102.30	6.80	7.99	2.68	1. 3.80—87D
8% Norsk Hydro 76/88	99.25	8.06	8.16	5.64	1. 4.83—88S
6¾% Norsk Hydro 77/89	93.20	7.24	8.06	7.01	1. 6.82—89S
5¾% Norway 77/82	99.50	5.78	8.59	0.17	due 1. 8.82
4¾% Norway 78/83	97.75	4.86	8.75	0.59	1. 1.83
4⅜% Norway 78/83	96.75	4.52	8.52	0.84	1. 4.83
6¼% Norway 79/84	96.40	6.48	8.42	1.84	1. 4.84
7½% Norway 80/85	99.15	7.56	7.84	2.63	15. 1.85
7¼% Norw. Mortgage 77/87	94.75	7.65	9.41	2.87	16. 5.83—87D
6% Norw. Mortgage 77/89	89.50	6.70	9.45	3.73	16.11.82—89D
7¾% Nova Scotia 71/86	98.25	7.89	8.75	2.42	1.12.77—86D
7% Nova Scot. Power 72/87	96.25	7.27	7.85	5.51	1.12.78—87S
9¾% Nuclebras 80/88 (G)	94.75	10.29	10.92	6.30	15. 9.88
6¾% Occident. Int. Fin. 78/90	81.75	8.26	10.02	8.51	1.12.85—90S
6½% Occident. Overs. 68/83	97.65	6.66	8.56	1.34	1.10.72—83S
6% Oester. Donaukr. 69/84 (G)	96.50	6.22	9.45	1.16	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	94.50	7.14	7.97	5.76	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	100.15	8.74	8.61	1.73	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	95.75	7.31	9.06	2.59	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	96.00	7.29	9.85	1.55	16.12.83
5½% Oest. Ind Verwaltung 78/85 PP (G)	90.00	6.11	9.37	3.09	1. 7.85
~~6¾% Oest. Inv.-Kredit 79/84 PP~~	~~99.25~~	~~6.93~~	~~7.20~~	~~2.42~~	1.11.84
7% Oest. Kontrollbank 76/83 PP (G)	96.00	7.29	9.93	1.51	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	95.50	7.07	9.75	1.67	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	94.25	6.90	9.86	2.09	1. 7.84
6¼% Oest. Kontrollbank 77/84 PP (G)	93.50	6.68	9.69	2.17	1. 8.84
6% Oest. Kontrollbank 77/85 PP (G)	89.50	6.70	9.73	3.42	1.11.85
5¾% Oest. Kontrollbank 78/84 PP (G)	93.00	6.18	9.44	2.17	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	89.50	7.26	8.65	6.55	16.12.88
6% Oest. Kontrollbank 79/87 PP (G)	87.50	6.86	9.41	4.67	1. 2.87
7⅜% Oest. Kontrollbank 79/89	91.40	8.07	9.01	7.34	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	97.50	8.21	9.12	2.51	1.12.84
7⅞% Oest. Kontrollbank 79/86 PP (G)	95.25	8.27	9.18	4.55	16.12.86
8% Oest. Kontrollbank 80/87 (G)	98.00	8.16	8.52	4.67	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	99.50	8.79	8.93	2.79	15. 3.85
8½% Oest. Kontrollbank 80/88 (G)	99.00	8.59	8.69	6.42	1.11.88
9% Oest. Kontrollbank 80/87 PP	101.50	8.87	8.61	4.96	15. 5.87
8¼% Oest. Kontrollbank 80/92	96.00	8.59	8.86	10.09	1. 7.92
7¾% Oest. Kontrollbank 80/88 PP (G)	93.25	8.31	9.20	6.26	1. 9.88
10⅜% Oest. Kontrollbank 81/91	107.00	9.74	9.45	9.41	1.11.91
9¼% Oest. Kontrollbank 82/92 (G)	100.50	9.20	9.16	9.87	16. 4.92
5½% Oest. Länderbank 77/82	98.25	5.60	9.07	0.51	1.12.82
6½% Ontario 69/84	97.50	6.67	8.99	1.16	1. 2.75—84D
6% Ontario 72/87	93.50	6.42	8.40	3.18	1. 9.80—87D
7½% Ontario Hydro 71/86	98.25	7.63	8.29	2.43	1.12.77—86D
6½% Ontario Hydro 72/87	96.10	6.76	8.05	2.93	1. 6.80—87D
6½% Ontario Hydro 73/88	93.00	6.99	9.15	3.13	1. 3.81—88D
7½% Oslo 69/84	97.50	7.69	9.67	1.39	1.11.75—84D
7½% Oslo 71/87	99.75	7.52	7.71	4.59	2. 1.78—87S
6¾% Oslo 73/90	94.60	7.14	7.87	8.09	1. 7.76—90S
9% Oslo 75/87	102.50	8.78	7.96	2.85	1. 3.78—87S
8¾% Oslo 80/90	100.90	8.67	8.46	4.04	1. 3.83—90S
6¾% Papua 73/88	97.30	6.94	7.31	6.09	1. 7.79—88S
6¾% Parker-Hannifin 77/87 PP	91.00	7.42	10.50	2.91	1. 6.83—87D
7½% Parker-Hannifin 79/87 PP	92.25	8.13	9.90	4.06	1. 7.85—87D
8¾% Pemex 76/83	97.60	8.97	10.47	1.51	1.12.83
7% Pemex 77/84	90.75	7.71	11.87	2.26	1. 9.84
7% Pemex 78/86	86.50	8.09	11.79	3.59	1. 1.86
11% Pemex 82/90	99.50	11.06	11.07	7.66	1. 2.90
7% Petrobras 77/84	86.25	8.12	14.26	2.34	1.10.84
7% Petrobras 78/88	79.75	8.78	13.59	4.21	1.10.84—88D
8% Petrobras 79/89	81.00	9.88	13.24	5.21	1.10.85—89D
7¼% Philippine 77/84	90.25	8.03	12.08	2.42	1.11.84
6¾% Philippine 78/85	89.00	7.58	11.49	2.84	1. 4.85
8¼% Philip Morris Int. 82/90	100.00	8.25	8.25	7.91	1. 5.90
9½% Philip Morris Int. 82/92	104.25	9.11	8.62	6.66	1. 2.89
5¾% PK-Banken 78/88	86.50	6.65	10.18	3.83	1. 5.84—88D
6⅛% Postipankki 79/85 PP	96.00	6.38	8.81	1.64	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83 PP	97.00	7.47	11.12	0.84	1. 4.83
6¼% Pyhrn Autobahn 77/89 (G)	87.50	7.14	9.72	4.62	1. 9.84—89D
6½% Quebec 72/87	92.40	7.03	9.52	3.00	1. 7.78—87D
7½% Quebec 77/87	95.60	7.85	8.67	4.87	1. 2.87
7¼% Quebec 77/87	94.65	7.66	8.61	5.01	1. 6.87
6% Quebec 78/90	85.25	7.04	9.69	5.29	1. 5.85—90D
10¾% Quebec 81/91	106.50	10.09	9.64	9.26	1. 9.91
10⅛% Quebec 82/92	104.75	9.67	9.34	9.71	15.12.92
6¾% Quebec Hydro El. 69/84	98.25	6.87	8.03	1.67	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	97.85	7.41	9.33	1.23	1. 9.75—84D
8% Quebec Hydro El. 71/86	98.75	8.10	8.82	2.17	1. 9.77—86D
6½% Quebec Hydro El. 72/87	93.50	6.95	9.27	2.75	1. 4.78—87D
6½% Quebec Hydro El. 73/88	92.00	7.07	9.56	3.12	1. 3.79—88D
6½% Quebec Hydro El. 77/87	91.25	7.12	8.64	5.21	16. 8.87P
6¼% Quebec Hydro El. 77/87	90.00	6.94	8.59	5.51	1.12.87P
10¼% Quebec Hydro El. 81/91	103.80	9.87	9.60	9.51	1.12.91
8½% Queensland Alu. 70/85	99.75	8.52	8.77	3.42	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	86.25	6.67	10.38	3.74	7. 4.84—88D
7¼% Reed Paper 73/88	93.25	7.77	8.81	5.59	1. 1.79—88S
7½% Renault 80/85 PP	94.50	7.94	9.52	3.26	1. 9.85
10¾% Renault 81/86 PP	103.00	10.44	9.81	4.09	1. 7.86

WestLB Euro-Deutschmarkbond Yield Index

May 28, 1982: 9.43% (Apr. 30, 1982: 9.30%)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
8½% Renfe 76/82 (G)	99.80	8.52	10.46	0.09	due 1. 7.82
8% Renfe 77/84 (G)	96.75	8.27	9.99	1.84	1. 4.84
7% Renfe 79/87 (G)	87.00	8.05	10.47	5.01	1. 6.87
10% Renfe 82/92	100.25	9.98	9.96	9.95	16. 5.92
9% Rep. Chile 80/86	92.50	9.73	11.33	4.17	1. 8.86
5¼% Ricoh Comp. 78/83	95.50	5.50	9.45	1.17	1. 8.83
7¾% Roy. Bk. of Canada 80/90	97.35	7.96	8.20	8.17	1. 8.90
6¾% Roy Lease 79/84 PP	95.25	7.09	9.06	2.34	1.10.84
7¾% SAAB 71/86	98.00	7.91	8.52	4.01	1. 6.77—86S
7½% Saga Petrokjemi 77/87 PP	94.00	7.98	9.07	5.09	1. 7.83—87S
7½% Sandvik 72/87	95.00	7.89	9.75	2.58	1. 2.78—87D
9¼% Sandvik 75/83	100.00	9.25	9.11	0.67	1. 2.83
7% Sanko Steamship 77/84	96.80	7.23	9.10	1.67	1. 2.84
8¼% Saiyu Stores 80/86	96.25	8.57	9.46	3.76	1. 3.86
6½% Shell Int'l. 72/87	97.75	6.65	7.06	4.84	1. 4.78—87S
6¾% Shell Int'l. 77/89	93.50	7.22	8.50	4.59	1. 2.85—89D
7% Singapore 72/82	99.75	7.02	9.99	0.09	due 1. 7.78—82S
6½% Singapore 77/83	97.00	6.70	10.04	0.92	1. 5.83
8½% Sira Kvina 70/85	100.50	8.46	8.39	1.98	1. 6.76—85D
6½% S.N.C.F. 68/83 (G)	98.00	6.63	8.09	1.34	1.10.72—83S
8⅝% SNCF 82/92 (G)	98.00	8.80	8.96	8.95	15. 5.90—92S
7½% Soc. Dev. Reg. 76/86 (G)	96.25	7.79	9.18	2.58	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92 PP (G)	86.00	7.27	9.54	5.67	16.12.83—92D
9% Soc. Mar. Fina 75/83 PP	99.00	9.09	10.15	0.92	1. 5.79—83D
6¼% Sorrente 79/84 PP	92.75	6.74	11.31	1.63	16. 1.84
6¾% South-Africa 69/84	99.50	6.78	7.16	1.84	1. 4.73—84S
8½% South-Africa 70/85	99.90	8.51	8.71	3.42	1.11.76—85S
7¾% South-Africa 71/86	98.25	7.89	8.40	4.42	1.11.77—86S
7% South-Africa 72/87	90.75	7.71	9.23	5.42	1.11.78—87S
9% South-Africa 80/87	97.90	9.19	9.53	5.09	1. 7.87
7¾% South-Afr. Oil Fund 78/82 I PP (G)	99.25	7.81	12.01	0.17	due 1. 8.82
7¾% South-Afr. Oil Fund 78/82 II PP (G)	99.00	7.83	11.04	0.30	due 16.9.82
8% South-Afr. Oil Fund 79/83 PP (G)	95.75	8.36	11.32	1.42	1.11.83
7¾% South-Afr. Oil Fund 79/84 PP (G)	96.00	8.07	10.31	1.76	1. 3.84
7½% South-Afr. Railway 73/88 (G)	91.25	8.22	9.48	6.01	1. 6.79—88S
8% South Afr. Railway 78/83 I PP (G)	96.50	8.29	11.57	1.09	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	97.50	8.21	10.15	1.26	1. 9.83

WestLB Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
7¼% South-Afr. Railway 78/83 PP (G)	95.00	8.16	11.47	1.51	1.12.83
7% South Scot. El. 73/88 (G)	94.00	7.45	8.36	5.67	1. 2.79—88S
6¾% Spain 77/84	94.30	7.16	9.76	2.17	1. 8.84
6% Spain 78/88	86.10	6.97	9.14	5.92	1. 5.88
6% Sparbank Oslo 78/90 PP	87.00	6.90	9.92	4.22	16. 5.81—90D
7¾% Standard Imp & Exp 78/82 PP	99.50	7.79	10.49	0.17	due 1. 8.82
6½% Stand. Chart. Bank 78/88	89.75	7.24	8.89	5.59	1. 1.88
6% Statoil 78/88 (G)	89.50	6.70	8.20	6.26	1. 9.84—88S
6½% Statoil 79/89 (G)	90.65	7.17	8.38	6.76	1. 3.86—89S
7% Statsloeretag 77/85	95.10	7.36	10.20	1.72	1. 3.82—85D
8¾% Stockholm County 75/87	98.50	8.88	9.37	2.75	1. 4.78—87D
8½% Sumitomo Metal 76/82	99.90	8.51	9.31	0.09	due 1. 7.82
7½% Sun Oil Int. Fin. 73/88	97.05	7.73	8.12	6.17	1. 8.79—88S
7¼% Svenska Cell 73/88	92.75	7.82	8.92	5.67	1. 2.79—88S
10¼% Svenska Hdl. Bk. 81/87	101.50	10.10	9.85	5.39	20.10.87
6¾% Sveriges Inv. Bk. 72/87	93.60	7.21	8.43	4.76	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	94.50	7.41	8.23	5.76	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	101.00	8.42	7.43	1.01	1. 6.80—83S
6½% Sweden 77/84	96.00	6.77	8.84	1.92	1. 5.84
6% Sweden 77/89	86.00	6.98	8.60	7.51	1.12.83—89S
7¾% Sweden 79/89	93.00	8.33	9.13	7.09	1. 7.89
7½% Sweden 79/89 PP	90.50	8.29	9.37	7.17	1. 8.89
8% Sweden 80/87 PP	95.50	8.38	9.20	4.71	16. 2.87
9¾% Sweden 80/87	102.50	9.51	9.07	4.84	1. 4.87
9% Sweden 80/87 PP	100.00	9.00	9.00	4.96	15. 5.87
9¼% Sweden 80/87 PP	99.50	9.30	9.35	5.42	1.11.87
7⅞% Sweden 80/90	92.75	8.49	9.15	8.26	1. 9.90
9¾% Sweden 82/88	102.25	9.54	9.21	5.78	15. 3.88
9¾% Sweden 82/92	101.30	9.62	9.53	9.78	15. 3.92
9½% Swedish Export 80/87	100.75	9.43	9.23	3.95	1.12.84—87S
10¼% Swedish Export 81/91	102.00	10.05	9.85	7.86	1.11.88—91
9% Tauernautobahn 75/83 PP (G)	99.60	9.04	9.47	0.76	1. 3.83
5½% Tauernautobahn 78/93 (G)	80.50	6.83	8.29	10.84	1. 4.84—93S
8½% Tauernautobahn 80/90 (G) PP	96.25	8.83	9.14	8.38	16.10.90
7% Tauernkraftwerke 68/83 (G)	99.00	7.07	8.72	0.67	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	100.00	6.50	6.59	1.28	1. 9.74—83S
10½% Telefonica 82/92	103.75	10.12	9.87	9.74	1. 3.92
8% Tenpfinco 73/93	96.35	8.30	8.50	11.42	1.11.82—93S
6¼% Thailand 78/83 PP	9.600	6.51	11.46	0.84	1. 4.83
8¼% Thyssen Car. Fin. 75/82 PP	99.50	8.29	13.76	0.09	due 1. 7.82
7¼% Tokyo El. Power 69/84	97.25	7.46	9.50	1.48	1.12.75—84D
6½% Tokyo El. Power 79/85	95.75	6.79	8.19	2.92	1. 5.85
5½% Toyo Rubber 78/83 PP	95.00	5.79	9.61	1.34	1.10.83
6½% Trai. House Fin. 72/87	96.25	6.75	7.36	5.34	1.10.78—87S
6% Trinidad & Tobago 78/83	96.50	6.22	10.52	0.84	1. 4.83
6¾% Trondheim 68/83	96.50	6.99	9.53	1.49	1.12.72—83S
5¾% Trondheim 78/88	86.25	6.67	9.43	4.81	1. 4.86—88D
7½% TRW Int. Fin. 69/84	98.00	7.65	8.63	2.34	1.10.75—84S
6% TVO Power 78/88 (G)	85.50	7.02	9.40	5.67	1. 2.84—88S
5¾% UDS Group 78/83	95.10	6.05	10.05	1.26	1. 9.83
8½% Unilever 75/87	102.50	8.29	7.55	3.07	1. 5.81—87S
6½% Union Bank Finland 78/88	86.50	7.51	9.33	6.55	16.12.84—88S
5¾% Uniroyal 78/84 PP	89.00	6.46	11.76	2.17	1. 8.84
7% Venezuela 68/83	97.85	7.15	8.91	1.34	1.10.74—83S
6% Venezuela 78/88	76.50	7.84	11.85	5.76	1. 3.84—88S
6½% Venezuela 78/90	75.25	8.64	11.17	8.42	1.11.85—90S
9¾% Venezuela 80/90	93.85	10.41	10.92	8.42	1.11.86—90
11½% Venezuela 81/91	100.25	11.47	11.43	8.49	1.12.91
8¼% Vienna 75/84	100.25	8.23	8.05	1.66	1. 8.79—84D
5¾% Vienna 77/84 PP	92.25	6.23	9.28	2.54	15.12.84
8½% Voest-Alpine 73/88	96.50	8.81	9.24	6.34	1.10.79—88S
8½% Voest-Alpine 75/85	99.00	8.59	9.08	1.98	1. 6.81—85D
6¾% Voest-Alpine 77/89	89.50	7.54	9.82	4.37	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	92.50	7.03	8.03	6.42	1.11.79—88S
8¾% Westland-Utrecht 80/85 PP	96.00	9.11	10.46	2.76	1. 3.85
9% Westland-Utrecht 80/87 PP	94.00	9.57	10.48	5.42	1.11.87
5½% Worldbank 65/85	99.25	5.54	5.87	2.84	1. 4.71—85S
6½% Worldbank 68/84 PP	92.70	7.01	14.17	1.08	2. 1.77—84D
6½% Worldbank 69/84	98.00	6.63	8.10	1.50	1. 6.75—84D
6½% Worldbank 69/84 PP	97.20	6.69	9.26	1.08	2. 1.77—84D
6% Worldbank 69/84 PP	95.90	6.26	9.40	1.33	1. 4.77—84D
8% Worldbank 70/86	99.60	8.08	8.18	2.04	1. 1.77—86D
7½% Worldbank 71/86 I	98.25	7.63	8.32	2.46	1. 6.77—86D
7½% Worldbank 71/86 II	97.25	7.71	8.77	2.42	1.12.77—86D
6½% Worldbank 72/82	99.60	6.53	10.93	0.09	due 1. 7.82
6¾% Worldbank 72/87	94.75	7.12	9.03	2.67	1. 3.78—87D
6¾% Worldbank 73/83	98.50	6.85	9.05	0.67	1. 2.83
6⅝% Worldbank 73/88	92.50	6.89	9.10	3.30	1. 5.79—88D
8% Worldbank 75/82	99.60	8.03	8.67	0.51	1.12.82
8¼% Worldbank 75/83	99.70	8.27	8.52	1.09	1. 7.83
8% Worldbank 76/82 PP	99.40	8.05	11.64	0.16	due 1. 8.82
7¾% Worldbank 76/82 PP	99.25	7.81	9.85	0.34	due 1.10.82
7½% Worldbank 76/83	98.75	7.59	8.95	0.92	1. 5.83
7¾% Worldbank 76/83	98.76	7.85	8.72	1.34	1.10.83
6¾% Worldbank 76/83 PP	96.40	7.00	9.37	1.51	1.12.83
8% Worldbank 76/84	99.85	8.01	8.05	1.67	1. 2.84
5½% Worldbank 77/82 PP	98.75	5.57	9.82	0.29	due 15.9.82
7% Worldbank 77/85 PP	94.00	7.45	9.55	2.76	1. 3.85
6½% Worldbank 77/85 PP	92.25	7.05	9.66	2.92	1. 5.85
6% Worldbank 77/85	92.25	6.50	8.79	3.29	15. 9.85
7% Worldbank 77/87	94.25	7.43	8.55	4.58	1. 1.87
6½% Worldbank 77/87	91.65	7.09	8.65	4.92	1. 5.87
5¾% Worldbank 78/84	94.00	6.12	8.89	2.17	1. 8.84
6% Worldbank 78/88	87.15	6.88	8.78	6.17	1. 8.88
6¼% Worldbank 78/88	87.75	7.12	8.79	6.51	1.12.88
5¾% Worldbank 78/90	84.60	6.80	9.13	6.12	1. 2.87—90D
7% Worldbank 79/85 PP	94.65	7.40	9.00	3.17	1. 8.85
7⅝% Worldbank 79/87 PP	92.25	7.72	9.06	5.17	1. 8.87
7¾% Worldbank 79/91	93.50	8.29	8.81	9.09	1. 7.91
10% Worldbank 80/86	106.25	9.50	8.37	3.92	1. 5.86
8½% Worldbank 80/88 PP	98.00	8.67	8.94	5.98	1. 6.88
9% Worldbank 80/88 PP	100.00	9.00	8.98	5.92	1. 5.88
7⅞% Worldbank 80/90	94.75	8.31	8.84	7.59	1. 1.90
7⅞% Worldbank 80/90 II PP	93.00	8.47	9.18	7.59	1. 1.90
10% Worldbank 80/90	105.25	9.50	9.04	7.92	1. 5.90
8% Worldbank 80/90	95.90	8.34	8.71	8.17	1. 8.90
7¾% Worldbank 80/88 PP	93.75	8.27	9.11	6.17	1. 8.88
9¼% Worldbank 81/91	101.75	9.09	8.93	8.59	1. 1.91
10% Worldbank 81/91	104.75	9.55	9.19	8.92	1. 5.91
10½% Worldbank 81/91	107.00	9.81	9.32	9.17	1. 8.91
11% Worldbank 81/91	106.75	10.30	9.84	9.26	1. 9.91
10% Worldbank 81/91 II	104.75	9.55	9.21	9.51	1.12.91
9½% Worldbank 82/89	102.40	9.28	9.00	6.84	1. 4.89
8½% Worldbank 82/92	99.00	8.59	8.65	9.92	1. 5.92
6¾% Yokohama 68/83 (G)	99.50	6.78	7.29	1.26	1. 9.72—83S
7% Yokohama 69/84 (G)	99.50	7.04	7.36	2.34	30. 9.73—84S
8% Yokohama 71/86 (G)	99.50	8.04	8.13	4.17	1. 8.77—86S
8% Yugosl. Inv. Bank 77/84 PP	91.00	8.79	12.27	2.54	15.12.79—84S

Investors' reluctance only noticeable development and equity leaders drift lower on lack of trade

Account Dealing Dates
Option

*First Dealings	Declara-tions	Last Dealings	Account Day
June 7	June 17	June 18	June 28
June 21	July 1	July 2	July 12
July 5	July 15	July 16	July 26

* "New time" dealing may take place from 9 am two business days earlier.

With interest on the Falklands now fixed on the Islands' future, sentiment on London stock markets came more under the influence of domestic problems. Favourable pointers in the shape of the latest average earnings index and May pay settlements continuing the general more stable trend since August of last year were outbalanced by threats of industrial strife and worries about the implications on sterling of rising short-term U.S. interest rates.

Wall Street's good late recovery on Tuesday from early lows had given London dealers some cause for hope and leading shares were opened firmer. Prices then edged slightly better, rather more on relief that the previous day's selling, believed to have been on behalf of an investment trust, than on revived investment interest.

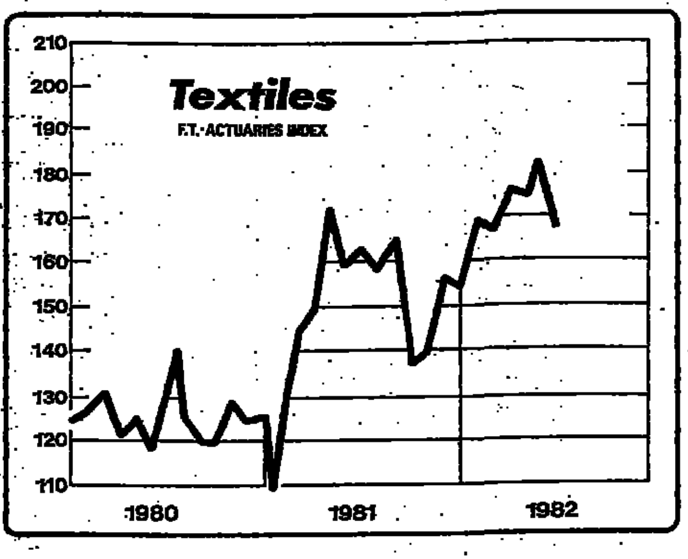
The extremely slow nature of business became a dispiriting influence, however, and leading industrials soon began to drift lower. A few index constituents ended with minor gains with the rest fairly evenly split between unchanged to a shade easier on balance. Higher Wall Street values in the early trade yesterday failed to check the easier trend and the FT Industrial Ordinary share index, up 2.9 at the first calculation, closed a net 2.4 down at 568.5. Late weakness in constituents GKN, 8 lower at 151p, on talk of a broker's downgraded profits forecast contributed to the fall.

Argyll Foods made a subdued relisting following the flop of the tender offer, 75 per cent of which was left with the underwriters. Suspended at 104p on May 10, dealings in the shares resumed yesterday at 80p and drifted back to 77p. The Warrants touched 13p before settling at 11p.

Gilt-edged trade was also dseparately quiet. Narrow fluctuations reflected sterling's trend yesterday more than any other factor and fractional early gains were eventually replaced by equally minor falls, although the shorts reverted to their overnight positions in the after-hours' business. A specialist demand enabled two low-coupon issues to achieve rises, both of ¼.

Minet up late

A dull session in Insurances was enlivened in the late dealings by a fresh speculative spurt in Minet on revived takeover suggestions which brought a close of 209p, up 7. Elsewhere, sporadic offerings and lack of support left closing falls ranging to 8. General Accident, which announced on Tuesday that the group's motor premium rates are to be increased by 6½ per cent from August 1, fell 8 to 300p, while Sun Alliance closed 6 cheaper at 770p, as did Phoenix, 244p.



The major clearing banks drifted lower in thin trading. NatWest lost 7 to 438p and Barclays dipped 4 to 466p as did Lloyds, to 396p. Elsewhere, Smith St Aubyn rallied 3 to 32p following the annual meeting. Guinness Peat firmed a few pence to 68p, but Hambros shed that much to 120p; the latter's annual results are scheduled for next Tuesday.

Trading was slow in Breweries and quotations rarely strayed far from overnight closing levels. Guinness held at 81p after comment on the interim results.

Blue Circle became the second building concern this week to turn dull on currency influences; the shares shed 10 to 448p reflecting concern about the company's Chilean interests following last Monday's devaluation of the peso. BPB, down 34 so far this week on worries about the impact on profits caused by the devaluation of the French franc, shed another 4 to 418p. Elsewhere, Mixconcrete rose 4 to a 1982 peak of 16p on vague take-over hopes, but Tilbury Group, a strong market recently for a similar reason, shed 5 to 530p.

Fairclough Construction met renewed support and put on 4 to 180p, while J. Jarvis revived and added 3 to 341p. Burnett and Hallamshire, however, lost 15 to 815p and Sheffield Brick gave up a couple of pence to 38p.

After opening a shade firmer at 324p, ICI drifted off in the absence of support to close 2 cheaper on balance at 320p. Recently firm Fisons lost 4 to 360p and Amersham 2 to 212p. Arrow, at 46p, relinquished a penny of the previous day's gain of 5, but James Halstead added 2 for a two-day gain of 5 to 71p.

Dull conditions prevailed in Stores. Renewed selling ahead of Wednesday's half-year results left Polly Peck a further 5 down at 330p, while Sumrie fell 3 to 55p in the late business following the announcement of the annual deficit. Dixons Photographic shed a few pence to 170p and Sonic Sound, a particularly depressed market of late on the poor interim results, lost 2 more to 44p. Amber Day softened a penny to 15½p, while Time Products ended the same amount down at 27p after comment on the results.

The two major defence stocks GEC and Plessey met early buying on defence spending hopes but closed well below the day's best on lack of follow-through support; the former touched 935p before closing 5 down on balance at 925p, while the latter retreated from an initial 465p to end only the turn dearer at 460p. Racal, annual figures scheduled for next Tuesday, cheapened 2 to 420p, after 428p, but Thorn EMI hardened 3 to 415p. Elsewhere, Ward and Goldstone, still depressed by the profits warning, fell 5 to a 1982 low of 65p. Reflecting fading hopes of a bid from Plessey, Ferranti dipped 18 to 727p; the preliminary results are due next Wednesday. Cable and Wireless, 268p, and Oceonics, 230p, rose 6 and 7 respectively.

GKN encountered late offerings and closed 8 down at 151p following reports of a broker's downgrading of profits estimates for the group. Elsewhere in the Engineering leaders, Hawker gave up a similar amount to 330p on the cautious tenor of the chairman's statement at the annual meeting. Vickers closed a penny cheaper at 147p; the price in yesterday's issue was in error. Among secondary issues, Chemring rallied 5 to 365p, but Martonair encountered sporadic selling and gave up 10 to 225p, while ML Holdings eased 5 to 310p. Vosper turned dull at 188p, down 8, ahead of ttoday's annual meeting. Spirax-Sarco eased 4 to 146p, while other dull spots included Thomas Robinson, 3 down at 38p, and Wellman Engineering, 2 off at 42p.

Trading statements prompted several notable movements in Foods. The leaders were featured by Tesco which jumped 8 to 65p following preliminary profits well above market estimates. Elsewhere, George Bassett put on 4 to 74p following the annual profits recovery, but Alpine Soft Drinks shed 3 to 72p on disappointment with the preliminary results. British Sugar firmed 10 to 470p on hopes that S. and W. Berisford will launch another bid for the company next month; Berisford, which announced good interim results yesterday, gained 4 to 136p.

Rolfe & Nolan good

Narrow irregular price movements were the order of the day among miscellaneous industrials after a quiet trade. Pilkington, a dull market of late following comment on the annual results, picked up 3 to 223p, while Unilever hardened 2 to 580p. Beecham softened 2 to 265p as did Rank Organisation, to 154p. Elsewhere, Rolfe and Nolan advanced 6 further to 84p with sentiment still buoyed by the good preliminary figures. Speculative buying on vague suggestions of a bid from the U.S. helped Sothebys to improve 5 to 295p, while gains of 3 and 4 respectively were seen in Petrocon, 72p, and Powell 236p. Profit-taking prompted a fall of 7 to 338p in Extel. Ricardo lost 6 to 490p and Scotcros dipped 4 to 88p as did Smiths Industries, to 343p. English China Clays softened a penny to 171p awaiting today's interim results.

Nimslo, a volatile market, attracted revived support and put on 20 to 190p. Elsewhere in the Leisure sector, Pleasurama shed 15 to 230p on lack of interest.

Dowty were actively traded in Motor Components and touched 138p before reacting to close a penny cheaper on balance at 133p. Lucas softened 2 to 184p. A reappraisal of the interim results helped Kenning Motor to add 1½ to 61p.

Paper Manufacturers James Cropper firmed 5 to 152p in response to the good annual results, while revived demand in a thin market lifted Routledge and Keegan Paul 8 to 250p. Saatchi and Saatchi, on the other hand, shed 20 to 395p. East Midland Allied Press "A" lost 2 to 90p awaiting today's preliminary results.

Properties closed easier for choice following another small turnover. Property Holding and Investment gave up 4 to 128p and Property and Reversionary 2 to a 1982 low of 146p. Lynton also shed 2 to 210p, as did Fairview Estates, to 108p. Country and New Town softened ½ to 44p following the preliminary results.

Oils drift lower

Oil shares put on a drab performance, underlying sentiment not being helped by Press mention on the outlook for the industry. Shell drifted off to close 6 cheaper at 412p, while BP eased 4 to 308p. Lasmo gave up 7 to 320p and Tricentrol closed a couple of pence lower at 212p. Among the more speculative issues, Flair firmed 5 to 95p, while Global Natural Resources put on 30 to 660p.

In Overseas Traders, Inchcape lost 5 to 293p ahead of today's preliminary figures. Gill and Duffus gave up 3 to 116p and Tozer Kemsley cheapened 2 to 63p.

Occasional losses in Trusts included Alliance, 4 lower at 294p, and Wemyss, 5 cheaper at 368p.

Shippings were inclined harder with Ocean Transport and P & O Deferred both putting on a penny to 118p and 151p respectively. In contrast, British and Commonwealth, a good market of late, closed a couple of pence easier awaiting today's preliminary results.

Textiles passed an extremely quiet trading session. Dawson International continued to edge higher awaiting today's preliminary figures and hardened a penny more to 131p. Bulmer and Lumb, the subject of recent favourable Press mention, also improved a penny, to 48p, but Parkland reacted 1½ to 41p following the annual review.

Interest in Tobaccos remained at a low ebb, with quotations closing slightly easier.

Golds mixed

Mining markets were mixed, with neither base nor precious metal prices providing a clear lead. Gold firmed by a dollar or so during the day before closing at $317.25, up $1.75.

One or two fairly sharp falls occurred among leading South African Golds, as in Randfontein Estates, down ⅝ to £22⅛, and Buffels, ⅛ weaker at £14⅛. Driefontein at 925p, Free State Geduld at 967p, Doornfontein at 669p, Durban Deep at 669p and Stilfontein at 541p all closed about 15 cheaper, but the effects were outweighed by small advances in many of the other issues and the Gold Mines index hardened 0.3 to 211.1.

South African Financials were marked up a little at the outset following the previous day's steep declines, but they attracted little attention at the higher levels and most prices drifted off towards the close of trading. Gencor were an exception, retaining a gain of 25 to 675p, while Anglo American picked up 6 to 463p.

Diamonds were also firmer at the close, with "Anamint" ⅝ better at £23⅜ and De Beers 3 up at 185p.

London Financials drifted lower before gaining some ground during the last hour or so to close above the worst. Gold Fields were finally 6 to the good at 336p, Charter unchanged at 187p, after 185p, and Rio Tinto-Zinc edged up a penny to 375p. Charter's full-year results are due next week.

Idle conditions returned to the Traded Option market and only 655 deals were completed, comprising 487 calls and 168 puts.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 24	June 11	Sept 2	Sept 13
June 14	June 25	Sept 16	Sept 27
June 28	July 9	Sept 30	Oct 11

For rate indications see end of Share Information Service

Stocks dealt in for the call included Exco International, Raglan Property, Premier Consolidated, Minet, Carrington Viyella, Renold, Bouganville, Turner and Newall, Trident TV and Town and City. BTR were dealt in for the put, while double options were arranged in UDS and Exco International.

FINANCIAL TIMES STOCK INDICES

	June 16	June 15	June 14	June 11	June 10	June 9	A year ago
Government Secs	69.65	†69.69	70.03	70.16	69.78	70.13	66.67
Fixed Interest	70.35	70.42	70.57	70.30	69.97	70.10	67.84
Industrial Ord.	568.5	570.9	578.8	584.2	578.5	587.3	544.8
Gold Mines	211.1	210.8	220.4	225.4	228.2	231.3	324.2
Ord. Div. Yield	5.61	5.48	5.43	5.38	5.48	5.35	6.91
Earnings Yld. % (full)	11.47	11.42	11.31	11.21	11.30	11.15	11.76
P/E Ratio (net) (*)	10.60	10.65	10.74	10.84	10.75	10.91	10.61
Total bargains	15,052	17,842	16,096	16,034	15,737	16,574	18,104
Equity turnover £m	—	147.64	101.92	125.02	125.49	123.48	106.67
Equity bargains	—	13,914	12,910	12,667	12,538	12,950	13,652

10 am 573.8. 11 am 571.8. Noon 570.6. 1 pm 570.5.
2 pm 570.5. 3 pm 570.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974. †Corrected.

Latest Index 01-246 8026.

*Nil—9.81.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.40 (7/6)	61.89 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	70.57 (14/6)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	594.0 (8/6)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	209.2 (9/5)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	June 15	June 14
—Daily		
Gilt Edged Bargains	197.5	171.9
Equities Bargains	90.1	83.6
Value	298.4	206.0
5-day Avrge.		
Gilt-Edged Bargains	182.3	182.8
Equities Bargains	84.2	85.9
Value	252.1	255.1

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or —	Div. p. or amount	Times Covered	Gross Yield	P/E Ratio
¶¶	—	—	13	11	Argyll Foods Warr'ts	11	......	—	—	—	—
¶250	F.P.	23/6	280	265	Assoc. Heat Services	272	−3	b9.0	2.1	4.7	13.8
46	F.P.	30/7	55	50	Bairstow Eves 5p	53	......	b1.61	2.5	4.3	13.0
§90	F.P.	25/6	101	92	✻Black (Michael) 20p	95	......	u3.0	2.4	4.5	13.2
15	F.P.	15/4	32	19	Cambrian & Gen. 7½p	31	......	—	—	—	—
§260	F.P.	4/6	435	293	✻Cont. Microwave	435	+5	b5.25	3.9	1.7	16.1
§518	F.P.	—	59	57	✻Dencora	58	......	—	—	—	—
§30	F.P.	28/5	163	140	✻Druck Hldgs.	163	......	b2.5	2.5	2.0	28.3
§87½p	F.P.	25/6	98	84	Electro-Prot. US$0.50	89	−1	uQ1.5c	8.5	0.9	12.0
—	—	—	17	10	ΔGroup Inv Option	12	−1	—	—	—	—
§137	F.P.	—	170	150	✻McCarthy & Stone	170	+5	b5.75	2.7	4.9	10.1
§105	F.P.	2/7	121	110	✻Miles 33 10p	115	......	ud2.0	4.3	2.5	10.0
600	F.P.	2/7	630	610	Oriflame SA (US$1.50)	610	−5	bQ50c	2.2	4.5	9.8
77	F.P.	14/7	97	88	✻Radio City 'A' NV	91	......	b5.6	1.5	8.8	10.7
140	F.P.	29/6	176	160	✻Ruddle (G.) 10p	176	......	b3.3	2.6	2.7	28.8
¶¶	F.P.	—	29	19	Stewart Nairn	25	+1	—	—	—	—
¶¶	F.P.	—	90	40	Zambia Cons Cpr 10K	50	+10	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or —
¶100	£10	26/8	11¾	10½	Bournemouth Water 9% Red. Prf.'87 89	11¾	......
§99.383	£25	14/7	25½	21½	Cred. Foncier de France 14¾% Lon.2007	24	−¼
¶100	F.P.	1/7	102¼	100¾	East Anglia Water 9% Red. Prf. 1987	101¾	+1
¶¶	F.P.	—	146½	136	First Nat. 12½pc Conv. Uns. Ln. 1987	142	+2
¶100	F.P.	—	47	38	Grt. N'rth'n Inv. 4pc Net Cum. Prf. £1	39	......
¶100	F.P.	—	46	45	Do. 4.7pc Net Cum. Prf. £1	46	......
‖100	F.P.	9/7	101	98½	Marlborough Props. 10% Cnv. Ln. '98-2002	98½	......
98.55	£25	8/10	25	24½	Midland Bk. 14% Sub. Uns. Ln. 2002-07	25	......
¶100	£10	26/8	11¾	11	Mid-Southern Wtr. 9% Pref. 1987	11¾	......
§100	F.P.	—	100⅞	100 1/16	Nationwide Bdg. Soc. 14¾% (25/4/83)	100¾	......
§100	F.P.	—	100	99 9/16	Do. 13⅞% (23/5/83)	100	......
100	F.P.	—	100⅛	100⅛	Do. 13 13/16% (3/6/83)	100⅛	......
¶107	F.P.	29/4	113⅛	109½	Queens Moat 10½% Cnv.'89-91	112xd	−¼
¶100	£10	29/7	11¾	10½	Wrexham Water 9% Red. Prf. '87-89	11¾	......

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982 High	1982 Low	Stock	Closing price p	+ or —
10	F.P.	27/4	28/5	13¾	10	Ansbacher (H.) 5p	10½	......
170	F.P.	13/5	24/6	190	180	Bank Leumi (UK) £1	190	......
135	F.P.	28/5	9/7	180	158	Carless Capel 10p	174	......
174	Nil	18/6	30/7	59pm	44pm	Grand Met 50p	56pm	......
Kr.158	Nil	—	—	5½pm	3pm	Great Northern Tel (£10)	3pm	−¼
5	F.P.	10/5	21/6	6	5	Grovebell (5p)	5	......
500	F.P.	20/5	18/6	615	575	Hammerson Prop.	600	−5
500	F.P.	28.5	18.6	590	530	Do. A	570	−18
Kr.150	Nil	—	—	250pm	200pm	Norsk Hydro (Kr. 100)	200pm	−15
50	Nil	24/6	13/8	8pm	4pm	Press (Wm.) 10p	4pm	−½
325	F.P.	17/6	30/7	445	398	Saatchi & Saatchi 10p	398	......
215	Nil	5/7	13/8	40pm	34pm	Sketchley	34pm	−4
10	F.P.	24/3	23/4	12½	10¼	Sturla 10p	10½	+¼
133	Nil	10/5	10/6	½pm	0	Young (H.)	—	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *r* Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Φ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✻ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). Δ Issued free as an entitlement to ordinary holders.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Beecham	17	267	−3	RTZ	12	374	−7
Brit. Aerospace	16	218	−4	Thorn EMI	12	412	−5
GEC	16	930	—	BICC	11	343	−5
ICI	14	322	−4	Cable & Wireless	11	262	−6
Glaxo	13	707	—	Cons. Gold	11	330	−1
Royal Insurance	13	350	−6	NatWest Bank	11	445	+1
Ferranti	12	745	−5	Plessey	11	459	−6

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Argyll Foods	77xa	—	GEC	925	−5
BTR	324	+4	Legal & General	250	−4
Berisford (S. & W.)	136	+4	Lloyds Bank	396	−4
British Sugar	470	+10	Minet	209	+7
Cons Gold Fields	336	+6	Tesco	65	+8
Dowty	133	−1	Westland	122	—

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed June 16 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues June 15 Index No.	Mon June 14 Index No.	Fri June 11 Index No.	Thur June 10 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	388.59	−0.5	9.30	4.22	13.28	390.67	394.36	396.59	394.61	344.24
2	Building Materials (23)	332.46	−0.5	11.92	5.45	10.11	333.97	338.22	342.44	340.16	300.64
3	Contracting, Construction (28)	614.46	−0.2	14.15	4.99	8.32	615.48	616.81	617.25	619.07	558.28
4	Electricals (31)	1444.39	−0.6	6.70	2.08	18.96	1453.68	1461.63	1471.74	1464.17	1078.79
5	Engineering Contractors (11)	488.13	−0.4	13.58	6.21	8.85	490.00	496.62	494.42	490.07	489.47
6	Mechanical Engineering (67)	200.31	−0.6	11.46	5.83	10.53	201.61	204.14	204.27	202.99	213.34
8	Metals and Metal Forming (11)	156.75	−1.7	10.88	7.57	11.55	159.43	162.89	164.52	163.12	164.13
9	Motors (20)	91.17	−0.7	1.89	7.75	—	91.83	92.15	92.59	92.70	102.60
10	Other Industrial Materials (18)	361.19	+0.2	10.07	5.87	12.19	360.36	367.81	368.64	366.75	376.16
21	CONSUMER GROUP (201)	308.48	−0.3	12.86	5.65	9.41	309.26	311.26	311.78	311.64	284.39
22	Brewers and Distillers (22)	325.43	−0.2	14.29	6.27	8.52	326.17	329.06	329.46	327.27	321.64
25	Food Manufacturing (22)	264.54	—	17.63	7.09	6.61	264.58	265.19	263.92	264.25	259.27
26	Food Retailing (14)	615.76	+0.2	9.22	3.46	13.16	614.38	612.99	612.56	615.12	527.48
27	Health and Household Products (8)	462.28	−0.4	7.51	3.68	15.71	464.32	467.04	471.25	472.71	333.55
29	Leisure (23)	429.43	−0.2	10.34	5.39	12.10	430.18	434.11	437.60	438.37	428.09
32	Newspapers, Publishing (13)	531.22	−0.1	12.93	5.85	9.84	531.61	532.48	534.36	534.54	508.61
33	Packaging and Paper (14)	148.39	−0.3	15.72	7.32	7.99	148.82	151.29	151.66	150.48	150.12
34	Stores (45)	277.99	−0.4	10.56	5.00	12.50	279.15	282.51	283.44	283.43	268.39
35	Textiles (23)	167.31	−0.3	13.40	6.34	9.21	167.85	168.62	170.19	169.63	164.29
36	Tobaccos (3)	337.80	−0.4	21.61	8.14	5.22	339.28	338.28	335.99	334.95	262.45
39	Other Consumer (14)	282.27	−0.6	5.83	5.37	32.96	284.09	284.08	281.14	285.17	302.28
41	OTHER GROUPS (77)	259.58	−0.2	13.28	6.41	9.11	260.11	262.41	263.14	261.82	230.34
42	Chemicals (16)	345.29	−0.4	13.34	6.75	9.00	346.76	349.15	349.86	346.68	287.52
44	Office Equipment (4)	108.29	−1.5	15.02	8.06	8.18	109.92	112.08	112.35	112.45	116.55
45	Shipping and Transport (13)	572.83	+0.2	19.47	7.19	6.23	571.61	576.06	575.19	571.28	553.44
46	Miscellaneous (44)	334.75	+0.1	11.23	5.61	10.84	334.47	337.64	339.25	338.85	298.90
49	INDUSTRIAL GROUP (487)	329.20	−0.4	11.59	5.22	10.51	330.36	332.97	334.08	333.15	297.50
51	Oils (13)	728.20	−1.3	21.70	7.98	5.22	737.85	741.19	751.44	739.21	741.73
59	500 SHARE INDEX	361.70	−0.5	13.20	5.66	9.05	363.54	366.21	368.05	366.22	333.32
61	FINANCIAL GROUP (117)	248.25	−0.7	—	6.71	—	250.12	252.04	252.29	249.76	258.39
62	Banks (6)	270.67	−1.1	38.45	7.96	2.85	273.79	273.59	273.60	271.53	264.45
63	Discount Houses (9)	240.32	−0.7	—	9.49	—	241.99	242.14	240.24	240.24	280.22
65	Insurance (Life) (9)	270.85	−0.7	—	6.75	—	272.79	276.29	277.25	270.60	262.52
66	Insurance (Composite) (10)	154.53	−1.0	—	9.16	—	156.16	159.05	159.41	156.43	166.76
67	Insurance Brokers (7)	497.13	−1.1	11.33	5.22	12.07	502.48	513.04	518.18	511.31	387.15
68	Merchant Banks (12)	142.73	−0.6	—	6.04	—	143.58	144.04	143.97	143.81	168.88
69	Property (49)	417.45	−0.2	5.39	3.84	24.77	418.37	419.80	418.98	417.29	472.86
70	Other Financial (15)	168.32	−0.4	18.47	6.80	6.26	168.91	169.99	169.96	171.21	178.76
71	Investment Trusts (111)	296.57	−0.5	—	5.48	—	297.99	299.63	300.24	300.47	310.03
81	Mining Finance (4)	182.51	+0.8	17.11	7.72	7.32	181.13	183.47	187.35	182.53	246.33
91	Overseas Traders (18)	350.46	+0.6	14.20	9.05	8.71	348.26	350.72	349.51	349.53	452.80
99	ALL-SHARE INDEX (750)	330.75	−0.5	—	5.91	—	332.42	334.88	336.34	334.39	317.97

FIXED INTEREST

	PRICE INDICES	Wed June 16	Day's change %	Tues June 15	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	112.15	+0.04	112.10	—	5.90
2	5-15 years	111.70	−0.10	111.81	—	6.42
3	Over 15 years	115.36	−0.16	115.55	—	6.92
4	Irredeemables	119.28	—	119.28	—	6.30
5	All Stocks	112.71	−0.07	112.80	—	6.39
6	Debentures & Loans	89.16	−0.14	89.29	—	5.18
7	Preference	65.54	+0.03	65.52	—	3.21

	AVERAGE GROSS REDEMPTION YIELDS		Wed June 16	Tues June 15	Year ago (approx.)
	British Government				
1	Low	5 years	10.94	11.08	12.29
2	Coupons	15 years	12.89	12.55	12.67
3		25 years	12.99	12.69	12.83
4	Medium	5 years	13.61	13.59	14.07
5	Coupons	15 years	13.71	13.68	14.56
6		25 years	13.08	13.06	14.15
7	High	5 years	13.65	13.61	14.13
8	Coupons	15 years	13.84	13.81	14.26
9		25 years	13.19	13.18	14.39
10	Irredeemables†		12.38	12.37	12.26
11	Debs & Loans	5 years	14.42	14.40	15.22
12		15 years	14.50	14.47	15.27
13		25 years	14.51	14.47	15.31
14	Preference†		15.12	15.13	15.67

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (19)

BRITISH FUNDS (1)
Treas. 3pc 1987
FOREIGN BONDS (1)
Anbofagasta
BUILDINGS (2)
Fairclough Cons — Mixconcrete
ELECTRICALS (1)
Immdte. Business Sys.
ENGINEERING (2)
GEI Int — Turriff
FOODS (1)
Tesco
HOTELS (1)
Mount Charlotte
INDUSTRIALS (3)
Cont Stationery — Watsham's
Rolfe & Nolan
NEWSPAPERS (1)
Routledge & Kegan Paul
PAPERS (3)
AID — Delyn Packaging
Cropper (James)
PROPERTY (1)
Cussins Prop.
TRUSTS (1)
Tor Inv. Inc.
TEAS (1)
Assam Frontier

NEW LOWS (58)

FOREIGN BONDS (1)
Pet. Mx. 14½pc 2006
AMERICANS (1)
U.S. Steel
CANADIANS (3)
Bank of Montreal — Hudson's Bay
Can. Imp. Bank
BANKS (2)
Bank of Scotland — Royal Bank Scotland
BUILDINGS (1)
Phoenix Timber
ELECTRICALS (3)
Energy Services — Ward and Goldstone
Forward Tech.
ENGINEERING (5)
Austin (James) — Lloyd (F. H.)
Brotherhood (Peter) — Robinson (Thos)
Firth (G.M.)
FOODS (1)
Cullens A
HOTELS (1)
Epicure
INDUSTRIALS (10)
Brit Syphon — Macpherson (D.)
Esperanza — Radiant Metal
Francis Inds — Rank Org
Gestetner A NV — Spring Grove
Hollis Brothers — Tilling (T.)
MOTORS (1)
Armstrong Equip.
NEWSPAPERS (2)
E Midland Allied A — Gordon and Gotch
PAPER (3)
Brunning Res Vtg — Smurfit (Jeff)
More O'Ferrall
PROPERTY (4)
Laganvale Ests — Prop and Rev
Lynton Hldgs — Slough Ests
SOUTH AFRICANS (1)
Barlow Rand
TRUSTS (1)
Globe Invest.
OIL AND GAS (4)
Berkeley Ex — KCA Drilling
Ceres Res — S and K Pet
OVERSEAS TRADING (1)
Tozer Kemsley
MINES (13)
East Dagga — Minorco
Stilfontein — Greenbushes Tin
Harmony — Pancontinental
Welkom — Vultan Mining
Charter Cons — Western Mining
Gold Fields SA — Tronoh
Middle Wits

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	5	40	45
Corpns. Dom. and Foreign Bonds	10	10	57
Industrials	112	294	938
Financial & Props.	31	135	345
Oils	9	37	63
Plantations	4	3	16
Mines	20	30	99
Others	41	49	63
Totals	232	608	1,627

APPOINTMENTS

Booker McConnell senior food post

Mr Barry J. Skipper is to become chairman and chief executive of BOOKER McCONNELL'S food distribution division. He is expected to join the company towards the end of July. Mr M. C. W. Wildy, vice-chairman of Booker McConnell, will cease to be the non-executive chairman of the food distribution division when Mr Skipper takes up his appointment. Mr Skipper is at present managing director of Cadbury Typhoo, a subsidiary of Cadbury Schweppes. His appointment follows the death in October 1981 of Mr B. J. Doré, the previous chairman and chief executive of the food distribution division.

★

Mr Richard Smith has been appointed managing director of VIKING POLYPROPYLENE. He was commercial director.

★

Mr Peter Riggs has been appointed divisional director of WORLDMARK TRAVEL. He was financial controller. The company is a division of Hogg Robinson Travel.

★

Mr Ray Sollett, chief executive of the Quinton Hazell group, has been appointed to the board of BURMAH OIL TRADING, principal subsidiary of Burmah Oil. His appointment does not affect the decision to sell Quinton Hazell when the time and price are right, says Burmah Oil.

★

Mr Stuart Bailey has been appointed director of sales and marketing for MERCURY COMMUNICATIONS, the company recently licensed by the Government to operate a business-oriented telecommunications network based on a mixture of fibre optic and radio links. He was previously marketing director, Northern Europe, of Geisco, a computer and information services organisation.

★

The CHARITIES AID FOUNDATION has appointed Mr Michael J. M. Brophy as director from September 1.

★

From July there will be three executive directors at JOHN BROWN-EARL AND WRIGHT: Mr Michael V. Hancock (U.S.), managing director; Mr Duncan Westall, deputy managing director; and Mr Michael Nay, operations director. Mr Hancock, a vice-president of Earl and Wright San Francisco, takes over from Mr Merl Griesert who is returning to Earl and Wright California.

★

Mr Alan P. Ravenscroft has been appointed director, BP group control and financial services with effect from July 1 in succession to Mr W. P. C. Grassick, who will retire in December. Mr Grassick will relinquish his appointment as a director of BP International on June 30. Mr Ravenscroft joined BP in 1958. In March 1981, when the group reorganised into international business streams, he became a director of BP Oil International and was appointed general manager with responsibilities for planning and control for the group's oil trading business.

★

Following completion of the acquisition of ALLIED SUPPLIERS by Argyll Foods, Mr J. G. Gulliver has been appointed chairman of Allied, and Mr M. A. Grant, Mr D. G. C. Webster and Mr C. D. Smith have joined the Allied board. Mr M. A. Grant has been appointed group managing director of Argyll. Mr H. M. Plowden Roberts, the former chairman of Allied, who recently joined the board of Argyll, has become deputy chairman and continues as managing director of Allied. Mr A. Woods, the former deputy chairman of Allied, has been appointed deputy managing director of Allied.

★

Mr Hugh Somerville has been appointed group secretary, Mr Iain J. S. Smith, group treasurer, and Mr Douglas W. Needham, group financial director of DAWSON INTERNATIONAL.

★

Mr John A. Brooks, deputy group chief executive, Midland Bank, has been elected a director of CROCKER NATIONAL CORPORATION and its principal subsidiary, Crocker National Bank. Mr Brooks, who is one of three Midland directors on Crocker's board, succeeds Mr Stuart T. Graham, who recently retired as Midland's group chief executive.

★

Lord Shawcross, a director of HAWKER SIDDELEY GROUP since 1968, has retired from the board. He will remain with the company as a consultant.

CONTRACTS

£1m computer equipment for Pirelli

Pirelli has signed a contract worth over £1m to TANDEM to supply computer equipment and support systems. Installation begins at the Carlisle plant followed by a compatible installation at Burton-Trent. In due course, Tandem equipment will be extended to Pirelli's overseas plants as part of an overall group system.

★

A naval order worth more than £250,000 has been won by RACAL-SMS for its new MRNS 9000 series radar and navigational digital simulator. The order has been placed by the Portuguese Navy for its school near Lisbon. Two simulated ship units will be installed with a range of navigational and radar equipment. The aids include the Decca Navigator, Loran, MF/DF, Sat-Nav and Depth. There is a full range of Racal solid-state radar displays, with the instructor being able to manipulate such environmental and radar effects as sea clutter, weather, noise and interference.

★

NEU ENGINEERING, Woking, has been awarded a contract from Rockware Glass for the supply of a glass batch plant, worth about £250,000.

★

An Indonesian oil refinery is to be equipped with British measurement instrumentation under a £90,000 contract won by RECORD ELECTRICAL COMPANY, Altrincham. The order covers the supply of hundreds of meters which will be positioned throughout the refinery to indicate level, flow and pressure transmitted signals. The Balikpapan refinery on the island of Borneo is being enlarged under an engineering procurement and construction project by Bechtel, who placed the instrument contract.

★

THORN EMI DATATECH to incorporate in its range of powerful mini computer systems. Systime has specified Thorn EMI's Series 8800 intelligent tape transport which it offers as a standard magnetic tape data storage facility with five of its minis.

★

YOUNG AUSTEN AND YOUNG has been awarded two major mechanical services contracts worth over £1m. The largest is for the Barrow Barnsley pithead baths project for the National Coal Board, where Young Austen and Young will instal a mechanical services scheme for services amenity buildings.

The second is for the Tesco store at Hucknall Road, Nottingham and requires installation of heat pumps, heat reclaim units, boiler plant, input and extract ventilation, as well as hot and cold water services.

★

HENRY BOOT BUILDING is to undertake the construction of a 25,000 sq ft six-storey office block, including a basement car park for 18 cars, in the office area of Queen Street in Manchester for MEPC. The £1m building, to be known as Sovereign House, is to be situated on a restricted site between Queen Street and Lloyd Street. Construction is in reinforced concrete with brick external cladding, aluminium window and slated mansard roof. Demolition of an existing building on the site has already started, and project completion is scheduled for May 31 1983.

A mentally handicapped children's unit is to be constructed at Swinton Hospital by Henry Boot Building at a cost of £500,000. The building will be a single-storey block of five independent units with a separate rumpus room. It will be of traditional construction with brick cavity external walls, block internal walls, concrete floors and pitched roof. Project work has started, for completion on June 1 1983.

★

TELLUROMETER, a Plessey company, has received an order from China worth £100,000 for the supply of CA 1000 portable microwave distance measuring systems to government survey authorities. Delivery coincides with the use of the systems by Chinese surveyors as part of the Royal Geographical Society's International Karakoram Project in the Karakoram range of mountains adjoining China and Pakistan. The project, which was co-sponsored by Tellurometer, involved detailed field studies of the world's highest group of mountains by a team of 70 leading scientists drawn from China, Pakistan and the UK. These Plessey systems, said to have an accuracy of +or− 15mm over ranges up to 100km, are to be assigned for medium to long-range survey applications throughout the Chinese mainland.

★

MATTERSON has received an order worth over £50,000 for the manufacture and supply of four 6-tonne double girder cranes and 11 jib cranes. They will be used in a new machine shop at the Audenshaw, Manchester, factory of Pikrose and Co.

CURRENCIES and MONEY

Dollar firmer

The dollar rose sharply in currency markets yesterday, reaching record levels against the French franc and Italian lira and a nine month high against the D-mark. Euro-dollar rates were again firmer, reflecting market concern over the size of the U.S. budget deficit and rising money supply figures.

Sterling was slightly firmer overall, losing ground to the dollar but improving against some European currencies.

The Belgian franc fell quite sharply within the European Monetary System yesterday but remained above the Dutch guilder and the weakest member, the D-mark. Trading was still a little confused as dealers digested the new levels after the latest re-alignment.

DOLLAR — Trade weighted index 119.5 against 118.9 on Tuesday and 107.2 six months ago. Three-month Treasury bills 12.30 per cent (10.75 per cent six months ago). Annual inflation 6.6 per cent (6.8 per cent previous month) — The dollar rose to a nine-month high of DM 2.4340 from DM 2.4200 against the D-mark and record levels against the lira at L1,367½ from L1,360½ and FFr 6.7450 from FFr 6.7225. It closed at its best level since last September against the Swiss franc at SwFr 2.0955 from SwFr 2.0760 and rose to Y252.80 from Y251.6 against the yen, a level not touched since April 1980.

STERLING — Trade weighted index 91.5 against 91.5 at noon, 91.4 at the opening and 91.4 on Tuesday (90.2 six months ago). Three-month interbank 12½ per cent (15⅛ per cent six months ago). Annual inflation 9.4 per cent (10.4 per cent previous month)—Sterling rose to a high of $1.7640 in the morning but started to lose ground to close at $1.7500-1.7510, a fall of 1.1c. In later trading it touched $1.7450 but soon recovered to nearer the $1.75 level. Against the D-mark it closed at DM 4.2625 from DM 4.2650 and SwFr 3.67 from SwFr 3.66. It slipped in terms of the French franc to FFr 11.8075 from FFr 11.8375.

D-MARK — EMS member (weakest). Trade weighted index 125.4 against 125.7 on Tuesday and 121.7 six months ago. Three-month interbank 9.175 per cent (10.70 per cent six months ago). Annual inflation 5.3 per cent (5.0 per cent previous month)—Trading was thin in Frankfurt yesterday ahead of today's public holiday. The D-mark showed mixed changes against its EMS partners but sank to a nine-month low against the dollar. There was no intervention by the Bundesbank at the fixing when the dollar rose to DM 2.4305 from DM 2.4222. Sterling was easier at DM 4.2770 from DM 4.2780 and the Swiss franc slipped to DM 1.1642 from DM 1.1698. The Belgian franc continued to lose ground and was fixed at DM 5.217 per BFr 100 down from DM 5.235 on Tuesday and compared with a floor level of DM 5.074.

BELGIAN FRANC — EMS member (third weakest). Trade weighted index 94.8 against 95.1 on Tuesday and 106.7 six months ago. Three-month Treasury bills 15¾ per cent (16 per cent six months ago). Annual inflation 9.5 per cent (8.4 per cent previous month)—The Belgian central bank spent the equivalent of BFr 15.4bn last week in support of the Belgian franc according to figures released yesterday. This was up from BFr 11.4bn the previous week and is the highest intervention in one week for over two months. Speculative pressure on the franc ahead of the latest re-alignment was the principle cause of the heavy intervention although the Belgian unit is now trading around the middle of its range against the D-mark, having previously been pinned to its floor level. At the fixing the dollar rose to BFr 46.63 from BFr 46.3475 and the D-mark was higher at BFr 19.1850 from BFr 19.1185.

THE POUND SPOT AND FORWARD

June 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7490-1.7640	1.7500-1.7510	0.32-0.42c dis	−2.54	1.20-1.30dis	−2.86
Canada	2.2390-2.2500	2.2430-2.2440	0.75-0.85c dis	−4.28	2.50-2.60dis	−4.55
Nethlnd.	4.69-4.74	4.70-4.71	1⅝-1⅜c pm	4.14	4½-4¼ pm	3.82
Belgium	81.25-82.25	81.60-81.70	28-38c dis	−4.85	98-108 dis	−5.04
Denmark	14.69-14.80	14.71½-14.72¼	5¼-6ore pm	−4.53	17⅞-19⅝ dis	−4.86
Ireland	1.2375-1.2455	1.2385-1.2400	0.68-0.80p dis	−7.16	2.03-2.19dis	−6.81
W. Ger.	4.25-4.29	4.25¾-4.26¾	5⅛-6ore dis	−4.53	4¼-3¾-pm	3.75
Portugal	138.00-146.00	143.75-144.25	105-380c dis	−20.21	325-1005dis	−18.47
Spain	192.10-193.10	192.20-192.40	108-125c dis	−7.18	330-365 dis	−7.23
Italy	2391-2405	2392-2394	14-17lire dis	−7.77	46½-50½ dis	−8.11
Norway	10.82-10.92	10.83-10.85	⅛ore pm-⅞ dis	−0.41	6⅞-7¾ dis	−2.61
France	11.79-11.86	11.80¼-11.81¼	2¼-5¼c dis	−3.81	10-14 dis	−4.06
Sweden	10.55-10.62	10.56½-10.57½	⅞-1⅝ore dis	−1.42	3-3¾ dis	−1.28
Japan	440-447	442¼-443¼	2.25-1.95y pm	5.69	6.15-5.85 pm	5.42
Austria	29.95-30.20	29.98-30.03	12½-9gro pm	4.30	33-25 pm	3.93
Switz.	3.64-3.69	3.66½-3.67½	2¾-2¼c pm	7.76	7-6½ pm	7.36

Belgian rate is for convertible francs. Financial franc 89.95-90.05. Six-month forward dollar 2.45-2.55c dis. 12-month 4.20-4.35c dis.

THE DOLLAR SPOT AND FORWARD

June 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7490-1.7640	1.7500-1.7510	0.32-0.42c dis	−2.54	1.20-1.30dis	−2.86
Ireland†	1.4110-1.4200	1.4165-1.4175	0.59-0.50c pm	4.62	1.43-2.30 pm	3.86
Canada	1.2715-1.2805	1.2800-1.2805	0.18-0.21c dis	−1.83	0.52-0.56dis	−1.69
Nethlnd.	2.6800-2.6890	2.6825-2.6855	1.50-1.40c pm	6.49	4.52-4.42pm	6.57
Belgium	46.50-46.66	46.64-46.66	4-7c dis	−1.41	12-16 dis	−1.20
Denmark	8.3815-8.4125	8.4075-8.4125	1.25-1.50ore dis	−1.96	3.40-3.90dis	−1.74
W. Ger.	2.4175-2.4350	2.4335-2.4345	1.32-1.27pf pm	6.38	4.01-3.96 pm	6.55
Portugal	78.50-82.50	82.15-82.45	25-125c dis	−10.93	55-335 dis	−9.48
Spain	109.35-109.95	109.80-109.85	38-44c dis	−4.48	105-120 dis	−4.10
Italy	1363¼-1368	1366¾-1367¼	5¾-6¾lire dis	−5.49	17½-19½ dis	−5.42
Norway	6.1825-6.2000	6.1825-6.1875	1.30-0.90ore pm	2.13	1.15-0.75 pm	0.61
France	6.7100-6.7500	6.7425-6.7475	¾-1¼c dis ...	−1.78	1½-2¼ dis	−1.04
Sweden	6.0155-6.0340	6.0290-6.0340	0.65-0.45ore pm	1.09	2.55-2.35 pm	1.62
Japan	251.40-253.10	252.75-252.85	1.74-1.66y pm	8.07	5.23-5.13 pm	8.20
Austria	17.06-17.15¼	17.12-17.13	10⅞-9gro pm ...	6.74	30½-27½ pm	6.77
Switz.	2.0730-2.0980	2.0950-2.0960	1.85-1.77c pm	10.36	5.34-5.26 pm	10.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

June 16	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.5	−32.2
U.S. dollar	119.5	+11.7
Canadian dollar	85.6	−21.3
Austrian schilling	117.9	+26.7
Belgian franc	94.8	−2.0
Danish kronar	82.8	−14.2
Deutsche mark	125.4	+49.8
Swiss franc	144.5	+93.9
Guilder	116.3	+23.6
French franc	74.5	−19.7
Lira	53.8	−58.4
Yen	132.9	+26.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

June 16	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.625204	0.553597
U.S. $	12	1.09817	0.971009
Canadian $	16.20	*	1.23940
Austria Sch.	6¾	18.8051	16.6479
Belgian F	14	51.2077	45.2781
Danish Kr.	11	N/A	8.15405
D mark	7½	2.66910	2.35955
Guilder	8	2.95078	2.60570
French Fr.	9½	7.40057	6.54460
Lira	19	1500.65	1326.64
Yen	5½	276.080	245.471
Norwgn. Kr.	9	6.79767	6.01540
Spanish Pts.	8	120.424	106.500
Swedish Kr.	10	6.60220	5.85227
Swiss Fr.	5½	2.29737	2.02844
Greek Dr'ch.	20½	N/A	66.1808

*C$/SDR rate for June 15: 1.40326

OTHER CURRENCIES

June 16	£	$		£ Note Rates
Argentino Peso	26,509-26,549†	15,100-15,150†	Austria	29.95-30.25
AustraliaDollar	1.7000-1.7020	0.9705-0.9710	Belgium	89.80-90.80
Brazil Cruzeiro	291.76-292.76	166.21-167.04	Denmark	14.70-14.85
Finland Markka	8.191-8.211	4.6880-4.6905	France	11.79-11.89
Greek Drachma	119.145-119.875	67.50-68.00	Germany	4.24¾-4.29¾
Hong Kong Dollar	10.28-10.29½	5.8640-5.8690	Italy	2365-2410
IranRial	147.40*	83.70*	Japan	442-447
KuwaitDinar(KD)	0.50410-0.50480	0.28775-0.28795	Netherlands	4.70-4.75
Luxembourg Fr.	81.60-81.70	46.64-46.66	Norway	10.84-10.94
Malaysia Dollar	4.0975-4.1075	2.3380-2.3410	Portugal	135-150
New Zealand Dlr.	2.3340-2.3380	1.3320-1.3335	Spain	184¾-193¾
Saudi Arab. Riyal	6.0090-6.0145	3.4300-3.4310	Sweden	10.55-10.65
Singapore Dollar	3.7525-3.7625	2.1370-2.1400	Switzerland	3.66-3.70
Sth. African Rand	1.9545-1.9570	1.1165-1.1180	United States	1.74¼-1.76¼
U.A.E. Dirham	6.4320-6.4400	3.6715-3.6735	Yugoslavia	87-102

†Now one rate. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.2781	+0.68	+0.61	±1.5501
Danish Krone	8.23400	8.15405	−0.97	−1.04	±1.6430
German D-Mark	2.33379	2.35955	+1.10	+1.03	±1.0888
French Franc	6.61387	6.54460	−1.05	−1.12	±1.3940
Dutch Guilder	2.57971	2.60570	+1.01	+0.94	±1.5004
Irish Punt	0.691011	0.687197	−0.56	−0.62	±1.6691
Italian Lira	1350.27	1326.64	−1.75	−1.75	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 16	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Fran
Pound Sterling	1.	1.751	4.263	442.8	11.808	3.670	4.705	2393.	2.244	81.65
U.S. Dollar	0.571	1.	2.435	252.9	6.745	2.097	2.688	1367.	1.282	46.64
Deutschemark	0.235	0.411	1.	103.9	2.770	0.861	1.104	561.4	0.526	19.16
Japanese Yen 1,000	2.259	3.954	9.627	1000.	26.67	8.289	10.63	5405.	5.067	184.4
French Franc 10	0.847	1.483	3.610	375.0	10.	3.108	3.985	2027.	1.900	69.15
Swiss Franc	0.272	0.477	1.161	120.6	3.217	1.	1.282	652.0	0.611	22.25
Dutch Guilder	0.213	0.372	0.906	94.10	2.510	0.780	1.	508.6	0.477	17.35
Italian Lira 1,000	0.418	0.732	1.781	185.0	4.934	1.534	1.966	1000.	0.938	34.12
Canadian Dollar	0.446	0.780	1.900	197.3	5.263	1.636	2.097	1067.	1.	36.39
Belgian Franc 100	1.225	2.144	5.220	542.3	14.46	4.495	5.762	2931.	2.748	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 16)

3 months U.S. dollars		6 months U.S. dollars	
bid 15 7/16	offer 15 9/16	bid 15 9/16	offer 15 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

June 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12⅝-13⅛	14⅝-14⅞	15-16	8⁵⁄₁₆-8⁹⁄₁₆	2-2¼	8¼-8⅝	15¾-16¼	18½-20½	16-17½	15-15½	6¾-7	20-21½
7 day's notice	12⅝-12¾	14¾-15	16-17	8¾-8⅞	2¼-2½	8⅜-8½	15¾-16¼	19-20⅞	17-20½	15-15¼	6¹⁵⁄₁₆-7⅟₁₆	20-21½
Month	12¾-12⅞	14¹⁵⁄₁₆-15⅟₁₆	16⅝-16⅞	8⁹⁄₁₆-8¹¹⁄₁₆	4⁹⁄₁₆-4¹¹⁄₁₆	8¹¹⁄₁₆-8¾	16-16½	20-20⅞	17-18	15¾-16	7⅛-7¼	17⅞-19⅜
Three months	12⁹⁄₁₆-12¹¹⁄₁₆	15⁵⁄₁₆-15⁷⁄₁₆	17-17¼	8⁹⁄₁₆-8¹¹⁄₁₆	5⁹⁄₁₆-5¹¹⁄₁₆	8¹¹⁄₁₆-8¹³⁄₁₆	16½-17	20⅝-21¼	17¼-18¼	15⅞-16⅛	7⅛-7¼	19-20½
Six months	12⁹⁄₁₆-12¹¹⁄₁₆	15⁹⁄₁₆-15¹¹⁄₁₆	16⅞-17⅛	8⅞-9	5⅞-5⁹⁄₁₆	8⅞-8⁹⁄₁₆	17-17½	21⅜-21⅞	17-18	15⅝-15⅞	7⅛-7¼	18½-21
One Year	12⁹⁄₁₆-13⅟₁₆	15⁹⁄₁₆-15¹¹⁄₁₆	16¾-17	9-9⅛	5¹⁵⁄₁₆-6⅟₁₆	8⅞-9⅟₁₆	17¾-18¼	22⅛-22¾	16¼-17¼	15⅝-16⅛	7⅛-7¼	18⅞-19⅞

SDR linked deposits: one month 12⅞-13 per cent; three months 12⅞-13¼ per cent; six months 12¹⁵⁄₁₆-13⁵⁄₁₆ per cent; one year 13-13⅜ per cent.
ECU linked deposits: one month 12⅜-12⅝ per cent; three months 12½-12⅞ per cent; six months 12¹³⁄₁₆-13³⁄₁₆ per cent; one year 12¹⁵⁄₁₆-13⁵⁄₁₆ per cent.
Asian $ (closing rates in Singapore): one month 15-15⅛ per cent; three months 15⅜-15½ per cent; six months 15½-15⅝ per cent; one year 15⁷⁄₁₆-15⁹⁄₁₆ per cent.
Long-term Eurodollar two years 15¼-15⅝ per cent; three years 15⅜-15⅝ per cent; four years 15½-15¾ per cent; five years 15½-15¾ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following rates were quoted for London dollar certificates of deposit: one month 14.50-14.60 per cent; three months 14.85-14.95 per cent; six months 15.10-15.20 per cent; one year 15.10-15.20 per cent.

MONEY MARKETS

London rates steady

UK clearing bank base lending rate 12½ per cent (since June 8)

Conditions were very quite in the London money market yesterday, as traders continued to absorb the implications of the end of the ground war on the Falkland Islands, and began to take more account of purely domestic matters.

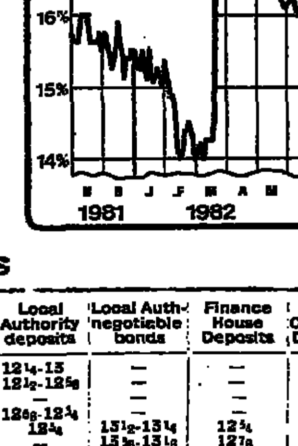
Short-term interest rates were little changed, with three-month interbank steady at 12⅝-12¾ per cent. Overnight money opened 12½-12¾ per cent, but fell sharply to close at 1 per cent. The comfortable conditions were partly a reflection of technical factors on make-up day for the banks, but also led to speculation that the market may be gaining assistance from official intervention in the foreign exchange market.

Day-to-day credit was in slightly short supply. The Bank of England suggested that the shortage was probably in the region of £50m, and that the main factors were: bills maturing in official hands, and a net market take-up of Treasury bills —£177m, coupled with a rise in the note circulation taking a further £40m out of the market. These were partly offset by Exchequer transactions of +£100m.

The authorities did not operate in the market during the morning, and gave only token support in the afternoon by buying £8m bank bills in band 2 (15-33 days) at 12½ per cent.

In Frankfurt the Bundesbank raised the rediscount quota by DM 5bn from June 23 at a meeting of the central bank council, held a day earlier than usual because of a national holiday in Germany today. The rediscount quota is the amount that commercial banks can borrow from the authorities at the discount rate of 7½ per cent. No changes were announced yesterday to the discount rate or the 9 per cent Lombard rate, but the move was seen as providing liquidity on a more permanent basis, rather than making further funds available through securities repurchase agreements and currency swaps. This was the first change in the rediscount quota since January last year. The private rediscount facility was also increased by DM 500m yesterday, effective June 23.

In Brussels the Belgian National Bank raised the interest rate on one and two month Treasury certificates by ½ per cent to 15½ per cent. The rate on three-month certificates was increased by ¾ per cent to 15¾ per cent. This move was a reflection of continuing high interest rates in the U.S. and Europe, and appears to be a defensive reaction to the realignment of the European Monetary System at the weekend.



EUROCURRENCIES

Firm trend

Euro Belgian franc interest rates were firmer yesterday, following the upward trend in domestic interest rates in Brussels. The Belgian National Bank raised the rate on Treasury certificates in a defensive move to help the Belgian franc following the devaluation of the French franc and Italian lira in the European Monetary System. Despite the rise in interest rates the Belgian franc lost ground to the dollar once again in spot trading, and also weakened sharply in forward trading. Euro D-mark rates showed a firmer trend overall, following indications that U.S. rates will remain strong in the near term, and this led to a decline of the German unit against the dollar in the forward market. French franc rates also rose, and the franc's discount against the dollar widened slightly.

On the other hand lira rates eased slightly, but other Euro-currency rates, including dollars and sterling showed little change.

MONEY RATES

NEW YORK

Prime rate	16½
Fed funds (lunch-time)	14¾-14⅞
Treasury bills (13-week)	12.30
Treasury bills (26-week)	12.59

GERMANY

Lombard	9.00
Overnight rate	9.00
One month	9.10
Three months	9.175
Six months	9.15

FRANCE

Intervention rate	15.5
Overnight rate	15.0
One month	15.5
Three months	15.4375
Six months	15.125

JAPAN

Discount rate	5.5
Call (unconditional)	7.21875
Bill discount (three-month)	7.28125

LONDON MONEY RATES

June 16 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◊	Eligible Bank Bills ◊	Fine Trade Bills ◊
Overnight	—	1-12¾	12¼-13	—	—	10-13	7-12½	—	—	—
2 days notice	—	—	12½-12⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅜-12⅞	12⅝-12¾	—	—	12¾-13	12-12½	—	—	—
One month	12⅞-12¹⁵⁄₁₆	12¹¹⁄₁₆-12⅞	12¾	13½-13¼	12¾	13	12½	12½	12½-12⁹⁄₁₆	13⅛
Two months	12¹¹⁄₁₆-12¹³⁄₁₆	12¾-12⅞	—	13⅜-13⅛	12⅞	13⅛	12¼-12⅜	12⅜	12⁷⁄₁₆-12⁹⁄₁₆	13
Three months	12¹¹⁄₁₆-12¹³⁄₁₆	12¾-12⅞	12¾	13¼-13	12⅞	13⅛	12-12¼	12³⁄₃₂	12⁷⁄₁₆-12⅛	12⅞
Six months	12¾-12⅝	12⅝-12⅞	12¾	12⅛-11⅞	12⅞	—	—	—	11¹⁵⁄₁₆-12	12⅝
Nine months	12¾-12⅝	12¾-12¹³⁄₁₆	—	16-12¾	12¹³⁄₁₆	—	—	—	—	—
One year	12¾-12⅝	13⅛-13	12⅞	12⅞-12⅝	13	—	—	—	—	—
Two years	—	—	13⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13½ per cent; four years 13⅝ per cent; five years 13¾ per cent. ◊Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12²³⁄₃₂ per cent; four months trade bills 12¹³⁄₁₆ per cent.

Approximate selling rate for one month Treasury bills 12⅜ per cent; two months 12⁷⁄₁₆ per cent; three months 12³⁄₃₂ per cent. Approximate selling rate for one month bank bills 12¹⁵⁄₃₂ per cent; two months 12⁷⁄₃₂-12²³⁄₆₄ per cent and three months 12²⁵⁄₃₂-12⁹⁄₁₆ per cent; one month trade bills 12⅞ per cent; two months 12¾ per cent; three months 12⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from June 1 1982. London and Scottish Clearing Bank Rates for lending 12½ per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 3½ per cent. Treasury Bills: Average tender rates of discount 12.1777 per cent.

Certificates of Tax Deposit (Series 5) 13 per cent from June 8. Deposits withdrawn for cash 10½ per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	11.72	12.31	.....	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

Multi Gwth. June 6		£2.06384	.....	—
Op. 8 Prop. A June 10	224.2	236.1	.....	—
Op. 8 Equity June 10	221.9	233.6	.....	—
Op. 8 Hy. June 10	197.7	208.2	.....	—
Op. 8 Mna. June 10	235.1	247.5	.....	—
Op. 8 Dep. June 10	168.7	177.6	.....	—
Op. In. 8 June 10	116.0	122.2	.....	—
Op. 8 Inc. D June 10	106.5	112.2	.....	—
Op. In. M. June 10	115.3	121.4	.....	—
U.S. $ F.I. June 10	106.4	112.0	.....	—
D & G Pn. Fd. June 10	97.3	102.5	.....	—
Pens. Pr. June 15	237.2	249.7	.....	—
Pens. Pr. Cp. June 15	180.0	189.5	.....	—
Pens. Eq. Ac. June 15	562.4	592.0	.....	—
Pens. Eq. Cp. June 15	426.8	449.3	.....	—
Pens. Fxd. Ac. June 15	272.1	286.5	.....	—
Pens. Fxd. Cp. June 15	206.5	217.4	.....	—
Pens. Mng. June 15	376.2	396.0	.....	—
Pens. Mng. Cp. June 15	285.5	300.6	.....	—
Pens. Dp. Ac. June 15	242.6	255.4	.....	—
Pens. Dp. Cp. June 15	184.2	193.9	.....	—

Britannia Funds—Series A

Am. Smlr. Co's. June 9	84.6	89.1	.....	—
Am. Spec. Sits. June 9	98.6	103.8	.....	—
Commodity June 9	59.5	62.7	−1.9	—
Extra Inc. June 9	89.2	93.9	−0.9	—
Far East June 9	89.4	94.2	−1.6	—
Fin. Secs. June 9	107.0	112.7	−0.8	—
Gold & Gen. June 9	49.9	52.6	−3.6	—
Growth June 9	81.1	85.4	−2.2	—
Inc. & Growth June 9	104.5	110.0	−4.2	—
Int. Growth June 9	86.8	91.4	−1.6	—
Japan Prf. June 9	74.9	78.9	−0.8	—
Minerals June 9	56.2	59.2	−3.5	—
Nat. High Inc. June 9	97.8	103.0	−2.9	—
Prop. Shares June 9	85.6	90.2	−0.7	—
Sp. Mkt. Sits. June 9	85.4	89.9	−2.5	—
Recovery June 9	85.7	90.3	−2.0	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIS (Managed Funds) Ltd.

Managed Fund	326.1	343.2	+0.5	—
Equity Fund	550.7	579.7	+0.8	—
Property Fund	214.8	226.1	.....	—
Fixed Int. Fund	201.6	212.2	+0.7	—
Deposit Fund	149.0	156.8	.....	—

Norwich Union Life Insurance Society Pensionvestor

Fixed Interest*	120.6	126.9	−1.3	—
Ordinary Share*	123.9	130.4	−2.7	—
Property*	107.8	113.4	.....	—
Deposit*	103.6	109.0	+0.3	—
Index Linked Secs.*	103.1	108.5	−0.3	—
Mixed*	118.2	124.4	−1.7	—

Prices at June 15.

Nor. Units June 15		314.9	−6.3	—

Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

Inv. Prop. Dist.	132.3	139.3	.....	—
Inv. Prop. Acc.	175.7	185.0	.....	—
Inv. Equity	177.2	186.6	.....	—
Inv. Managed	161.5	170.1	.....	—

Pearl Assurance (Unit Linked Pensions) Ltd.

Ret. Managed	132.3	139.3	.....	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	177.1	186.6	−2.8	—
Eb'r. Ph. Eq. E.	166.3	123.8	.....	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

Pioneer Mtl. Md. Fd.	121.8	128.4	.....	—

Planned Savings Group
68, East Street, Horsham 0403 50255

1st Managed	75.4	80.4	.....	—
1st Fixed Interest	81.2	86.4	.....	—
4th Managed	58.1	61.9	.....	—
5th Managed	66.0	70.3	.....	—

For Sefar Life Assurance Ltd. see Sun Life Unit Assurance Ltd.

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 7971

Managed	143.9	151.5	−0.4	—
Property	136.0	143.2	.....	—
Equity	165.5	174.3	−0.6	—
International	138.4	145.7	−0.7	—
Fixed Interest	125.0	131.6	−0.4	—
Index Linked	92.1	97.0	.....	—
Cash	120.4	126.8	.....	—
Pension Managed	156.7	165.0	−0.3	—
Pension Property	133.9	141.0	.....	—
Pension Equity	184.2	193.9	+0.1	—
Pension Intl.	142.4	149.9	−1.0	—
Pension Fxd. Int.	128.3	135.1	−0.6	—
Pension Index Linked	92.1	97.0	.....	—
Pension Cash	129.5	136.4	.....	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Equity Fund	219.8	231.4	−1.0	—
Fixed Interest Fund	148.8	156.7	−0.2	—
Property Fund	214.7	226.0	.....	—
International Fd.	121.5	127.9	+0.4	—
Deposit Fund	133.3	140.4	.....	—
Managed Fund	175.0	184.3	−0.1	—
Intl. Bond June 15	£13.42		—	.....

Individual Pension Funds

Index Linked	106.8	112.5	.....	—
Equity	104.2	109.7	−1.0	—
Fixed Int.	110.5	116.4	−0.1	—
Property	98.3	103.5	.....	—
International	98.1	103.3	+0.3	—
Deposit	98.8	104.0	.....	—
Managed	103.1	108.6	−0.2	—

Group Pension Funds

SAFM Fd Int. June 9	£205.30	220.80	.....	—
Property June 9	£114.10	118.80	.....	—

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Leaf Plans

OFFSHORE AND OVERSEAS

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* June 7	$51.47	54.79	.....	—
COUNT** June 7	£1.12	3.29	.....	1.59
CANRHO** June 7	£1.338	1.420	.....	—
MAPSA* April 5	$9.60	10.21	.....	—

Original issue *$10 and **£1. Next val. July 5.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi May 31		Y26,279	.....	—
Nippon Fd. June 16	$19.25	20.10	−0.54	1.34

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

U.S. Dollar Denominated Funds

Am. Smaller Cos. Fd.	$1.345	1.446	.....	—
Gold Fund*	$0.583	0.627	−0.07	8.45
Universal Grwth Fund	$0.797	0.857	.....	—
Dollar Income Fd.	$0.760	0.803	.....	13.40

Sterling Denominated Funds

American Investments	46.2	49.7	.....	4.00
Australian Perf. Fd.	70.6	75.9	.....	—
Far East Fund	89.1	95.8	.....	1.00
Jersey Energy Tst	15.1	16.2	.....	1.50
Jersey Gilt*	19.8	20.9	.....	13.16
U.K. Growth Fund	40.7	43.8	.....	4.11
USM Fund*	102.9	110.6	+0.1	—

Sterling Deposit Funds

Managed Cmcy. Fd.*	£12.09	12.71	+0.02	9.29
Capital Dep. Trust**	£14.14	14.15	+0.01	0.25

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. 0534 73741
Valley Hse., St. Peter Port, Gnsy. 0481 24706
1, Thomas Street, Douglas, I.o.M. 0624 4856

Gilt Fund (Jersey)	7.36	7.60	.....	13.60
Gilt Trust (I.O.M.)	87.1	89.3	.....	13.00
Gilt Fund Guernsey	7.67	7.71	−0.05	13.00

Intnl. Govt. Secs. Trust

First Sterling	£17.46	17.55	.....	—
First Intnl.	$214.07	215.02	.....	—

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98⅞	95⅝	Exch. 9¼pc 1982	95⅞	......	9.36	13.20
98½	94¾	Exch. 8¼pc 1983	98½xd	......	8.89	11.85
95¼	91	Exch. 3pc 1983	94¾	......	3.17	11.14
99½	95¾	Treasury 12pc 1983‡‡	99⅞	......	12.98	12.76
98	92⅞	Treasury 9½pc '83	97⅝xd	......	9.43	11.70
102	96⅞	Exch. 13½pc '83	101¼	......	13.35	12.44
98⅛	91⅞	Exch. 10pc 1983	97⅝	......	10.24	11.77
94½	87⅞	Funding 5½pc '82-84‡‡	94½xd	+⅛	5.82	9.32
98⅞	91⅞	Exch. 11¼pc 1984	97⅞	......	11.49	12.64
102⅝	96¼	Exchequer 14pc 1984	101¾	......	13.76	12.91
89½	81⅛	Exch. 3pc 1984	89¼xd	......	3.36	6.98
98½	91½	Treasury 12pc 1984	97⅞	......	12.28	13.19
104½	96¾	Treasury 15pc 1985	102⅞	......	14.44	13.39
98⅛	89½	Exch. 12pc Cnv. '85	97⅝	......	12.29	13.01
83	73½	Treasury 3pc 1985	83	......	3.61	9.82
97¼	87½	Treasury 11½pc 1985	96⅞xd	......	11.87	12.79
98⅞	85⅝	Exch. 12¼pc 1985	97⅞	......	12.52	13.02
96¼	86⅛	Exch. 11¾pc '86	95⅞	......	12.15	13.17
79	69	Treasury 3pc 1986	78⅞	+¼	3.32	9.63
97¼	86¼	Treasury 12pc '86	95⅝	......	12.52	13.57
90½	80⅝	Treasury 8½pc '84-86‡‡	90xd	......	9.41	11.67
30⅛	27⅞	Treas. 12¾pc '86 (£30pd)	30	......	12.55	12.99
102¼	91⅞	Exch. 14pc 1986	102	......	13.73	13.35
103⅞	90	Exch. 13¼pc 1987	100xd	......	13.23	13.19
82½	73⅞	Funding 6½pc '85-87‡‡	81¼	......	7.95	11.37

Five to Fifteen Years

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
73½	64½	Treasury 3pc 1987	73½	+⅛	4.07	9.68
98¼	85⅞	Treas. 12pc 1987	95⅞	–⅛	12.78	13.60
85⅛	72½	Treasury 7¼pc '85-88‡‡	85	+⅛	9.45	12.28
68⅞	60⅛	Transport 3pc '78-88	63⅞xd	+⅛	4.33	10.78
94	79⅞	Treasury 11½pc 1989	92⅞	–⅛	12.89	14.02
68	62½	Treasury 5pc '86-89	67⅝	......	7.49	11.92
101½	85⅞	Treasury 13pc 1990‡‡	94½xd	–⅛	13.61	13.99

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
128	75	Falcon Rh.50c.	85	......	Q25c	10.3	21.9
33	20	Wankie Col. Z$1	28	......	Q3c	1.2	12.1
21	14	Zam.Cpr.SBD0.24	14	......	—	—	—

Australian

[illegible]

Tins

[illegible]

Copper

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
325	195	Messina R0.50	195	−10	Q60c	5.2	17.1

Miscellaneous

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]							
292	190	Cons. Murch. 10c.	190	......	‡Q60c	1.9	‡
8	5	☆Exploura Gold	5	......	—	—	—
106	65	Highwood Res.	78	......	—	—	—
255	165	Northgate C$1	175	......	—	—	—
468	374	R.T.Z.	375xd	+1	16.0	2.2	6.1
£189½	£90	Do.9½%Cv.Ln.'95-2000	£90xd	......	Q9½%	30.0	f10.6
20	12	Sabina Inds. C$1	12	......	—	—	—
44	27	☆Southwest C. 10p	34	......	—	—	—
500	270	Tara Explo. $1	290	−7	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv. 20p	40	......
Bertrams	17@	......
Bdg'wtr. Est. 50p	410	......
Craig & Rose £1	£22½	......
Finlay Pkg. 5p	28	......
Graig Ship. £1	£25	......
Higsons Brew	90	−2
Holt (Jos) 25p	870	......
I.O.M. Stm. £1	115	......
Pearce (C. H.)	£18¾	......
Peel Hldgs.	147	......
Sheff. Refrshmt	79	......
Sindall (Wm.)	215	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£97⅝	......
Nat. 9¾% 84/89	£71⅝	+⅛
Fin. 13% 97/02	£74½	+¼
Alliance Gas	80	......
Arnott	200	......
Carroll (P.J.)	71xd	−1
Concrete Prods.	75	......
Helton (Hldgs.)	28	......
Irish Ropes	34½	......
Jacob	69	......
T.M.G.	7	......
Unidare	47	+2

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
Allied-Lyons	8
BOC Intl.	15
B.S.R.	8½
Babcock	18
Barclays Bank	42
Beecham	21
Blue Circle	48
Boots	19
Bowaters	24
Brit. Aerospace	17
B.A.T.	38
Brown (J.)	7
Burton Ord.	15
Cadburys	9
Courtaulds	8
Debenhams	7
Distillers	15
Dunlop	6½
Eagle Star	31
F.N.F.C.	4
Gen. Accident	28
Gen. Electric	65
Glaxo	42
Grand Met.	17
G.U.S. 'A'	45
Guardian	25
G.K.N.	15
Hawker Sidd	38
House of Fraser	15
I.C.I.	24
"Imps"	8
I.C.L.	5½
Ladbroke	15
Legal & Gen.	19
Lex Service	10
Lloyds Bank	42
"Lofs"	6½
London Brick	7
Lucas Inds.	20
"Mams"	12
Mrks. & Spncr	12
Midland Bank	30
N.E.I.	9
Nat. West. Bank	38
P & O Dfd.	14
Plessey	32
Racal Elect.	35
R.H.M.	6½
Rank Org. Ord.	20
Reed Intnl.	26
Sears	6
T.I.	13
Tesco	5½
Thorn EMI	42
Trust Houses	11
Turner & Newall.	11
Unilever	55
Utd. Drapery	7
Vickers	16
Woolworths	5

Property

Stock	Rate
Brit. Land	7½
Cap. Counties	10
Land Secs.	28
MEPC	20
Peachey	14
Samuel Props.	11
Town & City	3½

Oils

Stock	Rate
Brit. Petroleum	26
Burmah Oil	10
Charterhall	6
KCA	14
Premier	6
Shell	30
Tricentrol	22
Ultramar	35

Mines

Stock	Rate
Charter Cons.	25
Cons. Gold	45
Lonrho	7
Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 41

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday June 17 1982

BRIDGET BLOOM VISITED FLEET HEADQUARTERS NEAR LONDON

After the Falklands: congratulations and cost-counting

"THE DAY before we landed at San Carlos, we had 26,000 men afloat. I regret every one of the 250 men who have died in the Falklands, *but our* casualty toll has been remarkably light, *given the* circumstances."

It was a day of congratulations at fleet headquarters *yesterday*, even if it was all understated, British-style.

Admiral Sir John Fieldhouse, commander-in-chief, fleet, and the man in day-to-day charge of the Falklands task-force from his HQ at Northwood, *Middlesex, spoke* about the casualties.

Lt-Gen Sir Richard Trant noted how the army had put 9,000 fighting men ashore and not one had died in the landings. Air Marshal Sir John Curtis, for his service, spoke *warmly of the RAF's* achievements, particularly in mid-air *refuelling, which was now* here to stay.

All reflected the pride which officers at this end of the Falklands operation are now allowing themselvs to express —even if they or their colleagues would deny that there is a tingle of arrogance in suggestions that hardly any other country could have done it all.

Fleet HQ was opened to *defence correspondents for* the first time since the Falklands *crisis* began. The approach to the concrete and glass office boxes is impressive enough, through heavy iron gates and gravelled drive. HMS Warrior, as the HQ is designated, is in the midst of the leafy suburban gardens and villas of London's northern reaches, the sea is *miles away*.

Any thoughts that we were to be shown the actual room, from which the operations 8,000 miles away have been directed, were quickly dispelled as we were led through a building site (a new, deeper and even more secure HQ is being built) down steps, through corridors labelled decks, and into another ops room where green baize *curtains carefully hid* wall maps or anything else that could have been at *all secret*.

Sir John Fieldhouse's main concern was, not surprisingly, with the military problems being caused by peace in the Falklands, most notably with feeding and sheltering 15,000 Argentine prisoners in winter near the Antarctic. He was less outspoken on the subject than Adm "Sandy" Woodward, commander of the *task-force* in the South Atlantic, though it was clear that he cared.

We learned little new from this first news conference by *the Falklands* top brass though the C-in-C did confirm that HMS Glamorgan, damaged last week, was hit by a land-based Exocet missile, similar to the type of weapon which devastatingly finished HMS Sheffield in early May. He also let slip a *chilling sentence on the* freezing Argentine prisoners: "We don't know that the Argentines want them back," he said—acknowledging at the same time that, according to the Geneva Convention, they are, Britain's entire responsibility.

At the end, there was just a *hint of different* battles to come as the Falklands *problem, military phase over,* now shifts back into the political arena.

Of course it was no secret that he would like the navy to keep HMS Invincible, and the assault ships Fearless and Intrepid, Adm Fieldhouse said. The key role of those ships in the conflict is widely acknowledged but all were *due to be axed in the defence* review mounted by Mr John *Nott, the Defence Secretary*. But—added the man whom rumour has it is in early line of succession to be First Sea Lord—"that is of course a matter for the Government."

Chunnel decision deferred again

BY TERRY DODSWORTH IN PARIS AND HAZEL DUFFY IN LONDON

THE DECISION on whether to go ahead with the Channel Tunnel or other fixed cross-channel link has been deferred again.

In simultaneous announcements in London and Paris, Mr David Howell, the Transport Secretary, and M Charles Fiterman, his French counterpart, *said the whole subject* was being referred for further study on methods of financing.

The ministers were speaking on the publication yesterday of *the Anglo-French report* set up after a meeting last year between Mrs Margaret Thatcher, the Prime Minister, and M Francois Mitterrand, the French President.

The report says a fixed link *would probably offer savings* and other economic advantages *on a scale sufficient to outweigh* the capital investment.

It recommends that a twin-*rail* tunnel, constructed if necessary in phases, would be *the most desirable scheme if* the governments decided to go *ahead. Work could start in* 1984, with the tunnel operating by 1991.

The tone of the joint announcements appeared to *indicate a greater readiness by* the French than the British to proceed. M Fiterman said his Government wanted to go ahead with the construction of a tunnel but that it would have to be certain before giving the *green light that the project* would be completed.

His statement underlines French caution in the face of the financing problems raised by the British Government's refusal to inject public funds *into the programme*.

While there seems to be broad political backing in France for a tunnel, the authorities there will not *proceed unless there* are sufficient guarantees on the British side.

Mr Howell made it clear there were a number of questions to be resolved before the two governments could *decide on the fixed link and* what form it should take. The British *Government* has made it clear that any project would have to be financed by the private sector, and the Treasury is determined that this should *not involve any financial* guarantees by the Government.

This would make any rail tunnel a non-starter because of the Government's ownership of British Rail. Mrs Thatcher, however, expressed enthusiasm *for a Channel link last autumn*.

France is itself facing financial problems, which were reflected in the recent announcement of budgetary *restrictions*. The initial intention was to find funds through the finances of the SNCF, the nationalised, and heavily subsidised, French railway company.

Officials said yesterday, however, *that* France envisaged raising funds separately for the programme, mainly through borrowings on the national and international bond markets. If the SNCF had a role, it would be only through a minority participation, along with some of the French banks.

Nevertheless, the French authorities seem prepared, unlike the British Government, to give guarantees to banks involved in the project.

Report details, Page 10
Editorial Comment, Page 26

Managers buy Stanley Gibbons

By Duncan Campbell-Smith

STANLEY GIBBONS, the world's biggest stamp dealer and one of the largest auctioneers of rare stamps, has been *purchased by its own* management in a deal believed to be worth about £9m.

The company was brought on to the market last year when its direct parent, Letraset, was acquired by the Swedish office equipment group Esselte AB.

Esselte made it clear from the start that it had no interest *in retaining* Stanley Gibbons, which had trading losses of £2.25m in the year to April 1981 and was suffering from a prolonged period of inactivity in the world's stamp trading rooms.

The Royal *Wedding* changed all that. Stanley Gibbons has sold more than £12m-worth of wedding stamp sets since last July. Esselte indicated nonetheless that the company still did not fit the group structure. Stanley Gibbons attracted "enormous interest" in the market-place, according to merchant banker S. G. Warburg which advised Esselte on the sale.

As many as 20 potential buyers *looked at the company* before serious talks began with the management a month ago. Mr David Stokes, managing director of Stanley Gibbons, has led a team of six executives including Mr Ron Grover, the general manager and majority shareholder in two smaller *stamp companies* which have a joint venture with Stanley Gibons.

The six men have taken up the entire equity of the company, which had a turnover of over £20m in the year to April and traded profitably for the second half of that year. Details *of* a loan from Barclays Bank were yesterday left undisclosed.

Living standards start to rise as increased earnings rate eases

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

LIVING STANDARDS have *started to improve after a year* of decline although the rate of increase of earnings is continuing to moderate.

Official figures published yesterday show average earnings rose by 10.2 per cent in the 12 months to April. The Tax and Price Index, however, which measures the increase in gross *earnings needed to keep pace* with prices, rose by 9.7 per cent in the period.

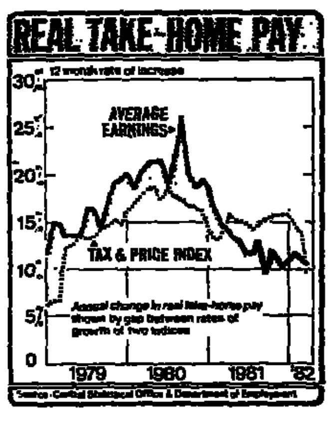
This is the first time since March 1981 that the increase in earnings has outstripped the combined effect of tax and price rises.

The change is of great psychological importance to the Government because it is considering its stance ahead of the next pay round starting in August.

The Treasury *predicts* that the annual rate of price inflation *could fall from the current* 9.4 per cent to 7½ per cent in 12 months' time. Some Ministers hope privately the figure could be lower.

They will hope to put over the message not only that *moderate wage settlements can* help to keep prices down but that living standards need not be hit badly in the process.

The underlying rate of increase in earnings is now put at an annual 10.25 per cent, about ½ point less than in March and ¾ point less than the rate in the second half of last year.



Separate figures from the *Confederation of British Industry* suggest pay settlements in manufacturing industry since last August have been between 4 per cent and 10 per cent.

The confederation says indication are that the average fell *below 7 per cent in the spring*. It says this is of limited significance, however, because of the wide spread of settlements and it could not identify a "going rate."

A survey by the Engineering Employers Federation broadly confirms this. It shows that of 503 settlements monitored in April and May the majority fell between 4 per cent and 8 per *cent*. Three-quarters of the settlements, covering more than 80 per cent of employees settling in the period, were in this range.

The official figures, from the Employment Department, show a higher rate of increase in total earnings partly because short-time working is much *less than it was a year ago* while overtime has increased.

After adjustment for extra hours worked, the annual rate of increase in earnings in April was estimated to be 9.5 per cent, the same as in March.

It is estimated that by the end of April about 40 per cent of all employees reached a settlement in this pay-round. A further 10 per cent are thought *to have settled in May, with a* further 30 per cent due in June and July.

If settlements continue within the present range there is a prospect the average rate of increase in earnings could be *down to single figures in the* next month or two. It is thought, however, that the underlying trend will remain fairly stable, at least until the end of the summer.

The department's figures *show the average annual increase* in nationally-negotiated basic weekly rates of pay was 6 per cent in May, a little less than in April and 3 percentage points less than in the 12 months to October.

Inflation rate of 7.5% forecast by Christmas, Page 9

CSI urges changes in fraud probes

By John Moore, City Correspondent

THE Council for the Securities Industry, the City of London's main self-regulatory body, has urged a thorough review of the way British authorities deal with commercial and financial fraud.

"The greatest weakness" in the area of investor protection is "the failure to deal effectively with commercial and financial frauds," said the council yesterday.

It has called for an inquiry into *procedures* for dealing with complicated commercial fraud cases in the *Department* of Trade, the office of the Director of Public Prosecutions, the police and the courts.

The plea came in the council's *formal* submissions to a report prepared by Professor Jim Gower on investor protection. Professor Gower has examined the present system of regulation in the UK on behalf of the Government, which commissioned a *review following the* failure of a number of investment companies.

He has proposed a unified system of regulation for the *whole securities industry in the* UK. But the council has rejected his plans as neither "practicable nor desirable."

It has urged more action on *fraud cases by the authorities*. "Anyone who commits an elaborate fraud knows that he probably will not be prosecuted and that, if he is prosecuted, it will take years to formulate charges and he will probably *escape the main charges. There* is little point in improving the finer points of conduct if gross fraud goes unpunished," says the council.

Any *inquiry* which examines the present system for dealing *with fraud should be* "charged with the responsibility of ensuring that suspected miscreants are speedily dealt with."

Background Page 9

Weather

UK TODAY

SUNNY intervals, outbreaks of rain later.

N.E. Scotland, Orkney and *Shetland*
Sunny periods, cloudy later. *Max* 13C (55F).

N.W. and E. Scotland, Central Highlands
Cloudy, perhaps rain later. Max 16C (61F).

Rest of UK
Sunny periods, followed by *rain or thundery showers*. Max 22C (72F).

Outlook: Unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	23	73	L. Ang.†		—	—
Algiers	S	30	86	Luxmbg.	C	15	59
Amsdm.	C	13	55	Luxor	S	41	106
Athens	F	23	73	Madrid	F	29	84
Bahrein	S	34	93	Majorca	S	29	84
Barclna.	F	24	75	Malaga	S	30	86
Beirut		—	—	Malta	S	29	84
Belfast	F	15	59	M'chstr.	C	17	63
Belgrd.	F	22	72	Melbne.	S	15	59
Berlin	C	15	59	Mx. C.†		—	—
Biarritz	S	24	75	Miami†		—	—
Bmghm.	C	16	61	Milan	F	23	73
Blackpl.	S	16	61	Montreal†		—	—
Bordx.	S	23	73	Moscow	C	13	55
Boulgn.	F	16	61	Munich	R	14	57
Bristol	C	17	63	Nairobi	C	24	75
Brussels	F	18	64	Naples	F	24	75
Budpst.	F	18	64	Nassau		—	—
Cairo		—	—	Nwcstl.	C	15	59
Cardiff	S	17	63	N. York†		—	—
Cas'b'ca	S	23	73	Nice	S	22	72
Cape T.	C	15	59	Nicosia	S	23	73
Chicago†		—	—	Oporto	S	29	84
Cologne	F	19	66	Oslo	F	18	64
Cpnhgn.	R	11	52	Paris	C	18	64
Corfu	S	25	77	Perth	S	16	61
Denver†		—	—	Prague	R	14	57
Dublin	C	15	59	Reykjvk.	C	9	48
Dbrvnk.	S	22	72	Rhodes	S	25	77
Ednbgh.	C	15	59	Rio J'o†		—	—
Faro	C	26	79	Rome	S	23	73
Florence	F	26	79	Salzbrg.	R	13	55
Frankft.	C	16	59	S F'cisc†		—	—
Funchal	C	22	72	S. Moritz		—	—
Geneva	C	20	68	Singapr.		—	—
Gibraltar	F	25	77	S'tiago†		—	—
Glasgow	C	13	55	Stckhm.	F	15	59
G'rnsey	F	16	61	Strasbg.	C	17	63
Helsinki	R	6	43	Sydney	F	16	61
H. Kong		—	—	Tangier	S	24	75
Innsbrk.	C	15	59	Tel Aviv	S	27	81
Invrnss.	F	12	54	Tenerife	F	24	75
I.o.Man	F	16	61	Tokyo		—	—
Istanbul	F	23	73	T'ronto†		—	—
Jersey	C	18	64	Tunis	S	27	81
Jo'burg	S	15	59	Valencia	F	19	66
L. Plms.	S	23	73	Venice	C	21	70
Lisbon	S	29	84	Vienna	C	18	64
Locarno	F	21	70	Warsaw	C	16	61
London	C	20	68	Zurich	C	15	59

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Tesco tackles its debt

Index fell 2.4 to 568.5

The market had been primed *to expect the worst from Tesco*, so it was pleasantly surprised by yesterday's preliminary figures showing a pre-tax gain of a fifth to £42.7m after the 6 per cent rise at the interim stage. The shares jumped 8p to 65p, but it still looks too early to call a turning point in the company's fortunes.

Certainly the improvement on the *trading front leaves something* to be desired. After depreciation, trading profits for the year are up a mere £0.2m. The underlying picture is a little better than this, since an extra £3m of costs in installing electronic point of sale equipment has all been charged to profits, and bunched in the *second* half. Stripped of this charge, a 17 per cent rise *in trading profits* in the second six months suggests an *improving* trend. This has been due not so much to volume, probably little changed, but to better gross margins. These have risen by ½ per centage point in the latter part of the year as the rationalisation of ranges *has been completed*.

The pre-tax gain is attributable largely to the property disposal programme. Helped by £46m of funds from this source, net borrowings have been run down from £63m to below £40m in spite of a £100m capital programme. Net interest payable has, *accordingly* been chopped by £6.9m to £8.8m. The expansion programme this year remains heavy, at £80m, and the company does not expect to run down debt levels further. Meanwhile the cost of the Epos *programme* is likely to double. The Checkout 82 price cuts are currently *sacrificing* a good part of the extra half-point gross margin, and it looks as if the extra volume will not compensate for the shortfall, *at least in the short term*. Nevertheless, the outcome this year may approach *£50m*, producing a p/e of about 8½.

Berisford

S. and W. Berisford will be free to relaunch its assault on *British Sugar a fortnight from* tomorrow and, perhaps with this in mind, has brought forward the announcement of its figures for the six months to March. It might as well have waited. Commodity markets have again been dull and the 40 *per cent* equity accounted holding in British Sugar makes up the *whole of the increase in* pre-tax profits from £17.4m to £24.4m.

BSC's dividends may be enough to cover Berisford's *funding costs*, but not with much to spare. So yesterday's 20 per cent *increase in Berisford's own* interim dividend can hardly be justified on the basis of the group's cash flow

If Berisford does return to the fray, it will be hard pressed to enthuse convincingly about *its own prospects*.

From next year, Berisford *will have the benefit of a contribution* from its steel pipe plant in the U.S. but set against this are nagging doubts about the group's whole diversification strategy. The performance of Tom Martin remains very *patchy and, of the other acquisitions*, only the wool companies have been trading in a buoyant market. While Berisford ponders its next move, shareholders can count on a prospective yield of around 10 per cent.

Johnson Matthey

Against a back-cloth of falling metal prices, Johnson Matthey's pre-tax total for the year to March, 9 per cent higher at £49.6m, looks a good performance. It would not be fair to pin all the *improvement on* interest elimination after the rights issue early in 1981, since a higher rate of capital expenditure has lifted the depreciation charge by a third. All the same, progress of just 4.1 per cent at the operating level lacks the *verve of recent years*.

The trend in the platinum market cannot have been any help. Japanese demand for *platinum jewellery* has ebbed with the price, and the fall in Detroit's car output has inevitably cut *into total* sales of catalytic converters.

Although the banking division had an excellent year, a number of the group's industrial businesses in the UK are still experiencing sluggish demand. At 237p, down 1p yesterday, the shares yield 5.7 per cent, *covered* more than twice by current cost earnings.

CSI/Gower

"Professor Gower wants a tidy scheme," says *the* Council for the Securities Industry, 'but tidiness *in itself is not worth* achieving if it is secured at the price of less overall effectiveness." So the CSI, in its formal response to the Gower discus*sion document* on investor protection, emphasises the merits of variety and *flexibility*. The Council certainly would welcome some kind of Securities Act to bring outdated and inadequate legislation up to date. *But* membership of self-regulatory bodies should be recognised by the *Department* of Trade as meriting exemption from any statutory *licensing procedure*. Legislation, it argues, should provide backstop protection for the public rather than threaten the authority of the self-regulatory organisations.

The trouble with this *argument is that it does not* really address the problem of the sheer variety of the City's self-regulatory bodies, both in nature and quality. Some financial sectors, like banking, insurance and unit trusts already *have a strong framework* of statutory regulation; indeed, the Unit Trust Association, a member body of the CSI, seems to like this arrangement (although it would prefer the scope for self-regulation to be extended just a *fraction*). Many of the member bodies of the CSI are, however, trade associations rather than organisations with powerful *self-regulatory capabilities. The* Stock Exchange stands out as one body with strong disciplinary teeth.

It is therefore up to the CSI *to show how it can improve the* weak bodies, and over what time scale.

Ceasefire

Continued from Page 1

and General Mario Benjamin Menendez, his Argentine counterpart.

Public bitterness *has been* fuelled by unofficial reports on *the ceasefire and by foreign* Press coverage of the speed with which Argentine troops on the islands capitulated.

The pro-Government newspaper La Nacion yesterday gave its version of the ceasefire which it said was not circulating among Argentine military *officers*. It gave the main points of the ceasefire agreement as:

- An *assurance that it will* include a firm commitment from the Argentine Air Force to halt its attacks on the British task force;
- That the Argentine flag would be lowered swiftly and in a simple ceremony, but not *handed over to British troops*;
- That Argentine troops would withdraw from the islands in their own ships and aircraft;
- That the Argentine military would give their British counterparts details of which areas of the islands were mined:
- That a mixed Argentine-*British commission would be* set up to supervise the change-over *in local administration*.

The reported terms of the ceasefire provoked virulent nationalist reaction. A number *of military officers, sensitive to* some sectors of public opinion, *appear to view any public recognition* of surrender as tantamount to military dishonour and national humiliation.

At the same time, there are growing fears in Buenos Aires that Argentine acceptance of the surrender terms could be interpreted as weakness by the British *government* and make a negotiated settlement of Argentina's claims of sovereignty over the islands extremely difficult.

Japan

Continued from Page 1

display, calendar, *stopwatch* and alarm. It weighs 1¾ oz without strap, slightly more than an ordinary watch.

The watch television is connected by a cord to a pocket-sized receiver, weighing 6 to 7 oz which picks up UHF, VHF and FM broadcast bands. The receiver contains two finger-tip size batteries capable of operat*ing the television for five hours*. Seiko is trying to achieve a longer running time. An earphone is attached to the receiver, which does not have a separate speaker.

Its main uses are expected to be for commuters or those outdoors, but the company has no firm marketing plans for the time being.

Seiko, which has not been involved in televisions, appears to have taken the rest of the electronics industry by surprise *with its announcement*. Suwa Seiko apparently developed the liquid crystal display mostly on its own,

Beirut

Continued from Page 1

ing to the newspaper Al Amal, organ of the Phalange Party, the *main demands* are for a Syrian withdrawal and a regulation of Palestinian *armed presence* in and around Beirut.

There seems to be growing support for the idea that the policing of Beirut should be assigned to the 25,000-strong regular Lebanese Army. But differences remain on how the army should be brought in, by *force or through* the general agreement of all parties concerned, including the Palestinians.

The main problem to be tackled is the disarming of the guerrilla movement and its confinement to camps, as is the case in other Arab capitals such as Damascus and Amman.

Mr Chafik al Wazzan, the Lebanese Prime Minister, is understood to favour a face-saving arangement for the *Palestinians* who have already taken a severe military beating.

In *Jerusalem*, Israeli officials briefing the Knesset Foreign *Affairs* and *Defence Committee*, claimed there were only 70,000 refugees in Southern Lebanon and not 600,000 as had been reported by the International Red Cross.

The Foreign Ministry said a special Israeli team of experts, combining diplomats and senior army officers, had begun work on formulating the list of Israeli demands which *it would* put forward when negotiations *began on an Israeli* withdrawal from Lebanon.

These demands include a demilitarised *zone* 40 km deep north of the Israeli border and *the removal* of Syrian and PLO forces from Lebanon. Israel also wants to see the restoration of a sovereign Lebanese Government capable of ruling and controlling the *entire* country.